

## Says Mutual Funds Unit In Agency Helps Agents Give Needed Service

By ROBERT B. MITCHELL

NEW YORK—As hotly controversial as its frequent bedfellow, the minimum deposit plan, is the sale of mutual fund shares by career life insurance agents as part of their estate planning service.

Many life insurance men believe mutual funds and life insurance policies are so antithetic that nobody should sell both. Some companies have even forbidden their agents to sell mutual fund shares on pain of losing their agency contracts.

But quite a few life insurance men think differently. Some general agents even house mutual fund dealer units or their branch offices within the confines of their agencies for the convenience of their agents and for the sake of surplus life insurance business coming from outside agents and brokers who sell the shares handled by the mutual fund unit.

In many cases this has proved to be

an effective method of supervising the life insurance activity and service that embodies the sale of mutual funds as a basic instrument of estate planning.

### Are Experienced Life Men

One of the principal mutual fund dealer organizations operating in this dual field is the Mutual Fund Planning Corp. of New York, headed by D. Fisher Leys. He is a life agent of six years' experience. John H. Brady, the firm's vice-president and treasurer, is a CLU with over a quarter-century of experience and is a life and qualifying member of the Million Dollar Round Table. Harold N. Chadwick, vice-president, has had five years' ex-

perience as a life agent and mutual fund planner.

Curious to learn how such a combination life insurance and mutual fund setup operates, I talked at some length with Mr. Leys and Mr. Chadwick.

This unit was set up, Mr. Leys told me, as a means of helping the professional insurance man broaden the scope of his service to his clients. About 200 agents have securities licenses through the Mutual Fund Planning Corp., and there is a constant flow of new men attending the firm's training courses. Mr. Leys vigorously denied the often-expressed idea that mutual funds and life insurance are competitive. All the signs, he stated, point to continued further inflation. The public is aware of this and feels the need of including equities as well as life insurance in estate planning.

"I believe the life insurance agent

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## More Hearings Due On Tax; Deadline Put Off To June 15

### Treasury Defers It After Finance Committee Slates Witnesses For March 17

WASHINGTON—Treasury representatives volunteered Tuesday to delay until June 15 the deadline for filing life company income tax returns.

The offer, made during the first day of the Senate finance committee hearings on the life company tax bill, came after Chairman Byrd announced that the witnesses scheduled for Friday of this week would not be heard until March 17. This would make it impossible to get a bill enacted in time to permit companies to base their income tax returns on it for the usual filing date.

The Treasury people did not indicate what kind of payment, if any, would be required March 15 on the basis of the estimated tax.

As the hearings got under way the finance committee hearing room had every seat filled and there were more than 100 standees. David A. Lindsay, assistant to the secretary of the Treasury, supported the House bill. While it is understood that the Treasury would not object to revising the bill to cut the yield from the latest estimate of some \$558 million to about \$500 million, the Treasury attitude thus far is one of strategic resistance to reduction of any kind. If it were to yield on all the major points on which reductions are sought, the revenue

(CONTINUED ON PAGE 21)

## Sees Way Cleared To Cut Credit Life Rates In Minnesota

ST. PAUL—Refusal of the U.S. Supreme Court to hear an appeal by Standard Life of Minnesota against a Minnesota supreme court decision will clear the way for a reduction of \$1.2 million per year in the cost of credit life in the state, according to Commissioner Sheehan.

Standard Life carried its case to the U. S. Supreme Court after the state high court last October ruled the commissioner could hold a hearing on charges of excessive rates and unfair competition by the company. Commissioner Sheehan said he hopes to reduce the cost of credit life from \$10 to \$7.50 per thousand.

Gov. Freeman has asked for legislation regulating credit life rates.

## Ordinary Sales Set Record For January

HARTFORD—Total sales were off for January, but ordinary, accounting for 75% of the total, set a January record of \$3,552,000,000, according to LIAMA. January, 1958, sales of ordinary were \$3,505,000,000.

Group sales, which exclude additions to plans already in force, totaled \$713 million, \$1,547,000,000. The January, 1958, figure included the last portions of the huge Bell System case.

Industrial sales were \$459 million as against \$464 million.

The aggregate figure for January was \$4,724,000,000 as compared with \$5,516,000,000.

Calhoun Life will sponsor the biennial painting exhibition of the Columbia, S. C., museum of art, beginning April 5.

## MDRT Simplifies Rule On Redundant Term Cover Credit

To eliminate the "overwhelming administrative task" of determining whether term insurance converted within 12 months of its effective date has previously been used for Million Dollar Round Table credit, and to limit the combined term and conversion credit on such cases to 100% instead of 125%, as was possible for the 1959 Round Table, MDRT members have amended article V, paragraph (1) (c) of the by-laws to provide that the maximum credit allowed for the conversion of level and decreasing term policies shall be 75% and 87½%, respectively, regardless of whether term credit was allowed in a current or prior qualification period. This by-law change became effective Jan. 1, 1959 and applies to 1959 business to be credited for the 1960 Round Table.

### Avoids Redundant Credit

MDRT Chairman Adon N. Smith II, Northwestern Mutual, Charlotte, N. C., explained that any applicant for membership may, under the by-laws, receive 25% credit for level term insurance and 12½% for decreasing term. Where such policies are converted within 12 months, whether in the same or succeeding qualification years, the executive committee and the membership committee, by affirmative vote, felt that the applicant should receive only 75% credit on level term conversions and 87½% on decreasing term conversions—otherwise an applicant could receive as much as 125% credit on level term policies converted within 12 months and 112½% on decreasing term converted within 12 months. The new by-law eliminates this possibility making it unnecessary to determine whether the less-than-year-old term insurance was needed or used to qualify for the Round Table when originally written.

## Tax Outlook Causes L.&C. To Withhold 5% Stock Dividend

NASHVILLE—Life & Casualty is not issuing the 5% stock dividend that the management stated a year ago it planned to recommend annually.

President Guilford Dudley Jr. said that because of uncertainties about the federal taxation of life companies,

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Minnesota, with the signature of Gov. Freeman, became the first state to legislate acceptance of the new mortality table approved by National Assn. of Insurance Commissioners. The law will permit companies to change over to the new table and will make the change mandatory in 1966. Witnessing Gov. Freeman's signature are, from left, Robert H. Rydman, general counsel of North American L.&C., chairman of the industry committee that developed the table; Walter E. Day, chairman of the house insurance committee; Daniel Feldt, chairman of the senate commerce committee, and Commissioner Sheehan.

## Syracuse Assn. Denies Membership To Securities Sellers

Syracuse Life Underwriters Assn. has voted to deny membership in the association to any agent who sells securities, or to any general agent or manager who knowingly accepts business from anyone else who deals at all in securities.

The association by-laws have been changed to reflect the vote. Article III, section (2), paragraph (a) of the new by-laws includes the following restrictions on eligibility for membership:

"No person shall be eligible for active membership in this association (1) who as agent sells directly or has any arrangement for profiting from the sale of securities; (2) who as general agent, manager, superintendent or in any other capacity in which business is accepted from agents or brokers, knowingly accepts business from any person who would himself be eligible under paragraph (a) (1) of this section, or (3) who within six months prior to the date of his application for membership has performed an act described in (a) (1) or (2) of this section."

The changed by-laws also provide for automatic termination of membership for any person who while an active member shall "subsequent to the date on which this amendment is adopted, perform any act described in paragraph (a) (1) or (a) (2) of this section."

Also provided is a change that no earlier than two years from the date on which membership is terminated under the above changes in the by-laws may an agent re-apply for membership.

## Life Of North America February Ordinary Business Is \$10 Million

Life of North America paid ordinary business in February was more than \$10 million, a record. Leading agencies for the month were Wilson, Philadelphia; Flanagan, Newark; Ross, Philadelphia; Huber, Winewood, Pa., and Ganster, San Diego.

## Large Market Awaits Agents In Southern California, L. A. Sales Congress Reveals

Organization, prospecting and rapidly expanding markets were studied at the annual southern California sales congress sponsored by Los Angeles Assn. of Life Underwriters.

The future of the life agent in southern California in the expanding economy was discussed by J. Edward Day, vice-president Los Angeles regional home office of Prudential; Horace W. Brower, president Occidental Life of California, and T. S. Burnett, president Pacific Mutual Life. Mr. Day noted that only 15% of the life insurance risks in southern California are covered, while at the same time a population boom is

afloat that should double the number of people in that section in the next 10 years. The only negative factor present is the rising hospital costs, and that, Mr. Day said, will place a tremendous burden on the insurance companies in forcing increased rates.

The damaging inflationary tendency in the economy was discussed by Mr. Brower, who went on to say that every agent is combatting inflation by taking the spending power out of the current income flow.

Speaking on the net cost of life insurance and trends that will affect future premiums, Mr. Burnett laid down the components of net cost as interest rate, mortality and business expenses. The present mortality table is out of line since life expectancy is up, he said. A reduction in the cost of doing business is probable, the net effect being a future reduction in the net cost of protection, providing taxation and costs are reasonable. As did the two preceding speakers, he attacked the evils of inflation and called for a balanced budget and "Pay-as-you-go" welfare projects.

### Explains Prospecting Technique

Jack A. Bratton, Pacific Mutual Life, explained his prospecting technique. The basis of his system is a letter of reference which the agent has signed by his centers of influence. This letter is sent to an average of 25 names referred by each center. Such prospecting has enabled him to maintain production averaging \$100,000 a month, Mr. Bratton declared.

Personal organization and prospecting were covered by a Million Dollar Round Table panel consisting of Irving F. Ash, Mutual Life of New York; William J. Ackerman, New England Life; and Jack Nix, Manufacturers Life. Mr. Ash urged his listeners to use every hour available in the day to contact prospects and cautioned that reading company material and other extra-curricular activities should come after hours on the agent's own time. A unique organizational pattern was presented by Mr. Nix, who said he apportions his prospects into geographical locations so he can concentrate on one area at a time. He lines up his appointments for the following week on a Thursday and when the new week arrives he knows exactly where he is going and who he is going to see.

Mr. Ackerman described the success he has had in prospecting with attorneys, 70% of his business coming from this group, either as clients or centers of influence.

Emotion and courage are the two prime tools of the agent, according to William R. Wilson, Prudential. It is necessary for the agent to strike an emotional response in his client in order to give him the courage to carry through with the life insurance program.

The sales congress was opened by Father Herman J. Hauck, regional director of California Jesuit Universities, and was closed by Jordan Olivar, Mutual of New York, head football coach at Yale University.

**Manufacturers Life's** business in at year-end 1958 was \$2,882,000,000, not \$2.8 million as it appeared in the company's annual statement report in the Feb. 21 issue.

## Joseph N. Mitchell Named President Of Beneficial Standard

Beneficial Standard Life has elected Joseph N. Mitchell, 36, president and



Joseph N. Mitchell



Henry Attias

Henry Attias, executive vice-president. Mr. Mitchell succeeds Oscar S. Pattiz, who was named vice-chairman.

With the company since 1946, Mr. Mitchell became secretary-treasurer in 1949 and vice-president six years later. In 1957 he was named executive vice-president. In his new post, he will also manage British Pacific, Beneficial Fire & Casualty, and Fidelity Interstate Life.

Mr. Attias has been a director since 1955. He became vice-president and general counsel in 1956 and secretary last year.

## New NALU Headquarters In Washington



**ARCHITECT'S RENDERING** of the new headquarters of National Assn. of Life Underwriters at Washington, as it will look when completely remodeled. The building, the former St. John's Orphanage located about four blocks west of the White House, is expected to be ready for occupancy in early 1960.

## HIA Reports Health Coverage For Older Citizen Accelerating

Recent developments in the health insurance field will rapidly accelerate the already substantial growth in the number of older persons with A&S coverage, according to a forecast in the staff report of Health Insurance Assn. prepared by J. F. Follmann Jr., director of information and research of HIA.

The report listed new developments in the A&S business which have led to extension of protection to senior citizens as new issuance of individual coverage at advanced ages; new issuance of group coverage to older people who are members of various types of associations; coverage that becomes paid-up at age 65, thus enabling policyholders to defray protection costs during productive years; continuation into the later years of individual coverage purchased at younger ages; continuation of group coverage for workers who retire and for their dependents, generally with part or all of the premium paid by the employer, and continuation on an individual basis of coverage which originally was provided by group insurance.

### Proportion Of Aged Insured Rising

The staff report forecast that the proportion of older persons with health coverage will continue on a rising trend approaching the relative extent of coverage owned by the population at younger ages.

Today, 74% of the population under age 65 has some form of health coverage, it noted, as compared to 30% at the beginning of 1947.

Citing data showing that the rise in coverage of the older aged averaged approximately 3% annually between 1952-57, the report predicted, "There is no presently observable reason why this rate of increase could not be assumed to be the minimal constant for the immediate future."

A relatively few years ago, the study said, most hospital policies sold to individuals terminated at age 65. "Currently, at least 10 large insurance companies offer policies which are guaranteed renewable for lifetime and this number should multiply significantly in the near future," it added.

The report, estimating the potential of health coverage for the aged, drew a base line of increase which indicated that 60% of all senior citizens who wanted or deemed themselves in need of such coverage would have it by 1960. This figure, it said, will rise to 63% in 1961; 75% in 1965 and 90% by 1970.

## Lt. Gov. Wilson Heads Speakers List At New York Agents Sales Congress

**NEW YORK**—Lt. Gov. Malcolm Wilson will head the list of speakers for the all-day sales congress of New York City Life Underwriters Assn., when it meets in the grand ballroom of the Hotel Astor March 12. Mr. Wilson's topic will be "Insurance and Your State Government."

The congress, an intensive workshop session devoted to selling techniques, is expected to attract more than 1,000 New York agents. A list of other speakers appeared in the Feb. 28 issue of THE NATIONAL UNDERWRITER.



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## Society Of Actuaries Makes Change In Annual Spring Parley

Something has been added to Society of Actuaries' long-standing annual eastern spring meeting. The name has been changed to regional spring meetings and a sister meeting is being held—this year at the Sheraton-Fontanelle Hotel in Omaha April 2-3. The Hotel Commodore, New York City, is the scene of the other regional, March 19-20.

President Pearce Shepherd, vice-president and actuary Prudential, will preside at the business sessions at both cities. The balance of the sessions will be presided over by Mr. Shepherd or Vice-presidents Arthur Pedoe, life manager and actuary for Canada, Prudential Assurance, and Wilmer A. Jenkins, executive vice-president Teachers Insurance & Annuity Assn.

The morning agenda at both meetings the first day will include a presentation and discussion of papers and informal discussion of subjects of general interest.

The papers are: "1958 Amendments to the Social Security Act" by Robert J. Meyers, chief actuary Social Security administration; "A Theory of Mortality Classes," Louis Levinson, actuary Massachusetts Mutual Life; "On Computing the Probability That Exactly k of n Independent Events will Occur," Robert P. White, Social Security administration, and Thomas N. E. Greville, associate chief actuary of the administration; "Insufficient Premiums," Paul W. Nowlin, Social Security administration, and "Group Annuity Ill-Health Terminations," Conrad M. Siegel, consulting actuary

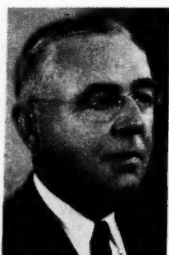
Pension Trust Advisory Service, Harrisburg, Pa.

The first afternoon of both meetings will be devoted to a simultaneous discussion of employee benefit plans and ordinary insurance and annuities.

Chairman of the benefit plans session at New York will be Charles A. Siegfried, vice-president Metropolitan, and John C. Archibald, vice-president Bankers Life of Iowa, will be chairman at Omaha. The program will consist of five topics:

### E. R. Gettings Feted By 3 Associations

Edward R. Gettings, past president of New York State Assn. of Life Under-



Edward R. Gettings

writers and for many years general agent at Albany for Northwestern Mutual Life, was honored by the Albany, Schenectady and Troy associations at a joint meeting in Lathams, N.Y., on the occasion of his retirement as general agent.

David B. Fluegelman, general agent at New York for Connecticut Mutual, but for many years with Northwestern Mutual, who is also a past president of the state association, presented a traveling bag to Mr. Gettings.

### I. Federal Welfare and Pension Plans Disclosure Act

What problems are insurance companies and consulting actuaries facing? What special procedures have been adopted? What position is being taken with respect to the major questions arising from this law?

### II. Group Insurance—Mortality and Morbidity Experience in 1958

What were the significant aspects of the mortality experience under group life insurance policies? What were the significant aspects of the experience with respect to the various forms of group A&S insurance—loss of time and medical expense insurance benefits?

What has been the recent experience under

### Life Men Prominent On W. Va. I-Day Card

Advance registrations indicate that more than 200 will attend West Virginia I-Day at the Stonewall Jackson Hotel, Clarksburg, March 9.

Richard Cox, agency superintendent of Life of North America, and C. Judson Pearson, insurance commissioner of West Virginia, will be the morning speakers. Clyde E. Smith Jr., chairman of the advertising committee of West Virginia Assn. of Insurance Agents, will report on the national advertising program of NAIA.

Louie E. Throgmorton, vice-president and director of public services, Republic National Life, will be the luncheon speaker. In the afternoon, all program speakers will participate in a panel discussion of problems in the business.

West Virginia association and Harrison County association are joint sponsors of the meeting.

individual insurance policies converted from group life and group medical expense insurance plans? What charges to the group insurance are being made on account of converted insurance?

### III. Pension and Retirement Plans

How frequently should actuarial valuations be made of trusted pension plans or deposit administration plans? What do government regulations require as to reports on such plans?

### IV. Major Medical Expense Insurance

What are the trends in the types of plans being sold? What is the extent of the popularity of the comprehensive type of medical expense insurance plan? Are any special problems developing and how are they being met? Is any check being made on the health of dependents of prospective employees when such dependents may be covered under a major medical expense insurance plan?

### V. Effects in Canada of Provincial Government Hospital Plans

What new types of insurance have been developed and with what success? Have there been any marked changes in premium income under insured plans since Jan. 1, 1959?

John F. Ryan, vice-president New York Life, will be chairman of the ordinary and annuities session at New York, and Patrick L. Humphrey, actuary Kansas City Life, will be the Omaha chairman. The program will include:

### I. Guaranteed Insurability Riders

What are the important considerations in the development of benefit structures, premium levels and underwriting rules? What are the problems in connection with reserves? What procedures have been developed to notify policyholders of their rights at the option dates?

### II. Graded Premiums

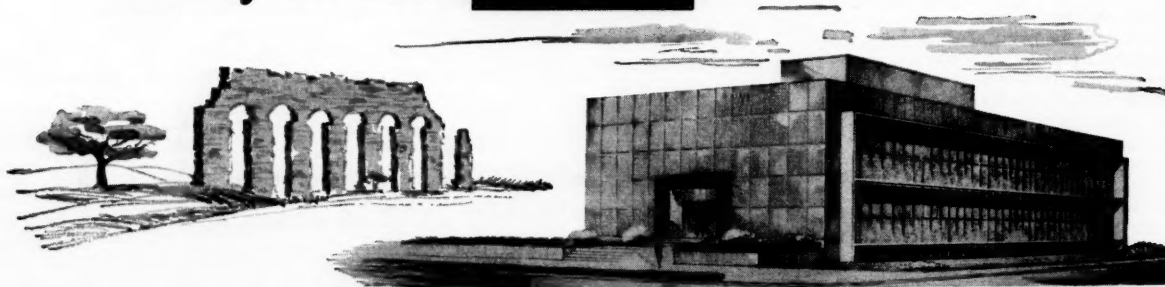
What has been the effect of graded premium programs on the volume of life insurance written and the distribution of new business by plan, age and size? Have any serious operating, policyholder, or agency problems developed? Is there any merging trend as to standardization with respect to policy fee or amount groupings, expense differentials by policy size, treatment of females, etc.?

### III. Recent Experience

What has been the effect of recent economic conditions (recession, higher interest rates, inflation, etc.) on the volume and distribution of new business? What has been the recent trend in lapse rates? How has this situation

(CONTINUED ON PAGE 23)

## Glory of the TIMES



New Executive Offices of Inter-Ocean Insurance Company

History has a way of accruing Time. Just as the past honored their generation, the present pay tribute to those who are contributing to the high standards of public service within the insurance business. Inter-Ocean Insurance Company is proud of its own personnel who have given so unselfishly to the continuing progress of the insurance business.

Representatives who write Inter-Ocean's modern line of competitive Life, Hospital, Medical and Surgical, and Income Protection Policies know they represent a sound, respected and expanding organization.



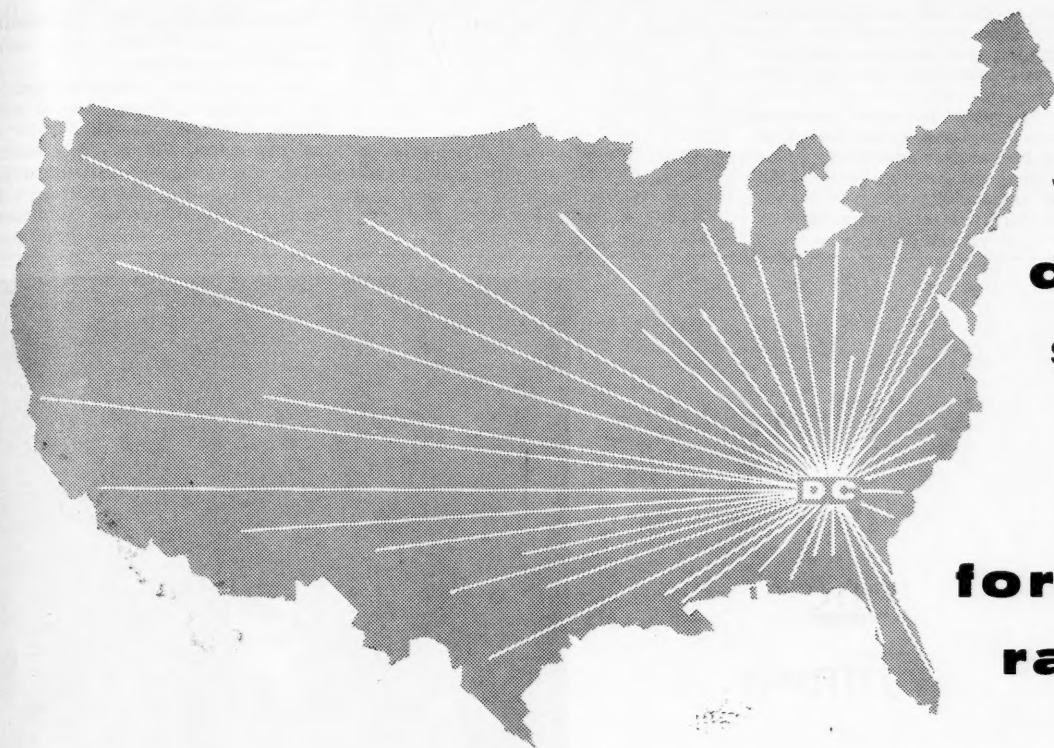
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## Problems Of Renewal Underwriting Aired At HIA Group Forum

Medical care costs, according to Donald D. Cody, 2nd vice-president and group actuary of New York Life, have been rising at the rate of some 5% a year, due to boosts in real costs and inflation. As Mr. Cody points out, the effect of these increases on loss ratios of companies writing group A&S business can be devastating, unless renewal underwriting reflects the annual trend. In his speech, which follows, before the panel on underwriting of Health Insurance Assn.'s group insurance forum at New York, Mr. Cody discusses renewal underwriting and some of its problems and procedures.

By DONALD D. CODY

The objective of renewal underwriting is to obtain a satisfactory level of aggregate premiums in comparison with claims, expenses, taxes, commissions, and dividends, or retroactive rate credits, and at the same time to do equity among policyholders and to achieve maximum persistency of policyholders. I should like to comment on the current problems besetting group health companies in their attempt to attain this objective and then to discuss some of the procedures involved.

### Levels Of Loss Ratio

The most difficult problem has to do with the levels of loss ratio. In 1958, most companies moved to higher premium scales for group medical care coverages. I have made a study of the range of these new premium rates and I have inquired of a number of companies as to their emerging claims levels. I believe that I can, as a result, estimate the levels of loss ratios emerging in early 1959 in relation to the manual premium rates in use at the end of 1958. These estimates in the smaller case area, 25 to 100 lives cases are as follows:

|                             | Range of loss ratios<br>early 1959<br>% |
|-----------------------------|---|
| Hospital                    | 80 to 100                               |
| Surgical                    | 75 to 85                                |
| Basic med. care<br>packages | 80 to 90*                               |
|                             | 75 to 85**                              |
| Compre. major med.          | 70 to 90                                |
| Supplementary major<br>med. | 65 to 100                               |

\*Without home and office doctor calls

\*\*With home and office doctor calls

The lowest figures are realized by companies with the highest rates and/or with operations in the lower cost areas and the highest figures are realized by companies with the lowest rates and/or with operations in the higher cost areas.

### Rerating In-Force Business

Such loss ratios would seem to imply that some companies could not operate their medical care coverage on small cases without loss even if all in-force business were at new manual rates—unless, of course, they are able to operate at phenomenally low expense rates. Such companies are faced with the problem of rerating in-force business to a premium level in excess of the rate level in use for new cases.

The industry has been led into this

problem by the rapid and steady increase in the utilization and unit cost of medical care. The cost of medical care per capita for many years appears to have been increasing at the rate of about 5% per year, split about equally between real cost and inflation.

This increase in costs represents some abuse and some unnecessary utilization but more importantly reflects better medical care by more highly trained personnel using better techniques, facilities and equipment. We

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## N. J. Group Eyes Law On Disability Benefits

John B. Rooney, secretary of America Fore Loyalty, was elected chairman of New Jersey Advisory Council on Disability Benefits for the third consecutive year at a meeting in Trenton.

In its annual report to the governor and the legislature, the council will make recommendations on the state's temporary disability benefits program.

## Great Southern Reduces Premiums For Women

Great Southern Life has reduced premiums for women under certain preferred risk policies.

The reductions presently apply to the Life Master Plans, issued with a \$25,000 minimum on both the par and non-par basis, the \$10,000 minimum Estate Master (non-par), and the \$10,000 Participating Select Whole Life policy, which features a minimum of \$10,000.

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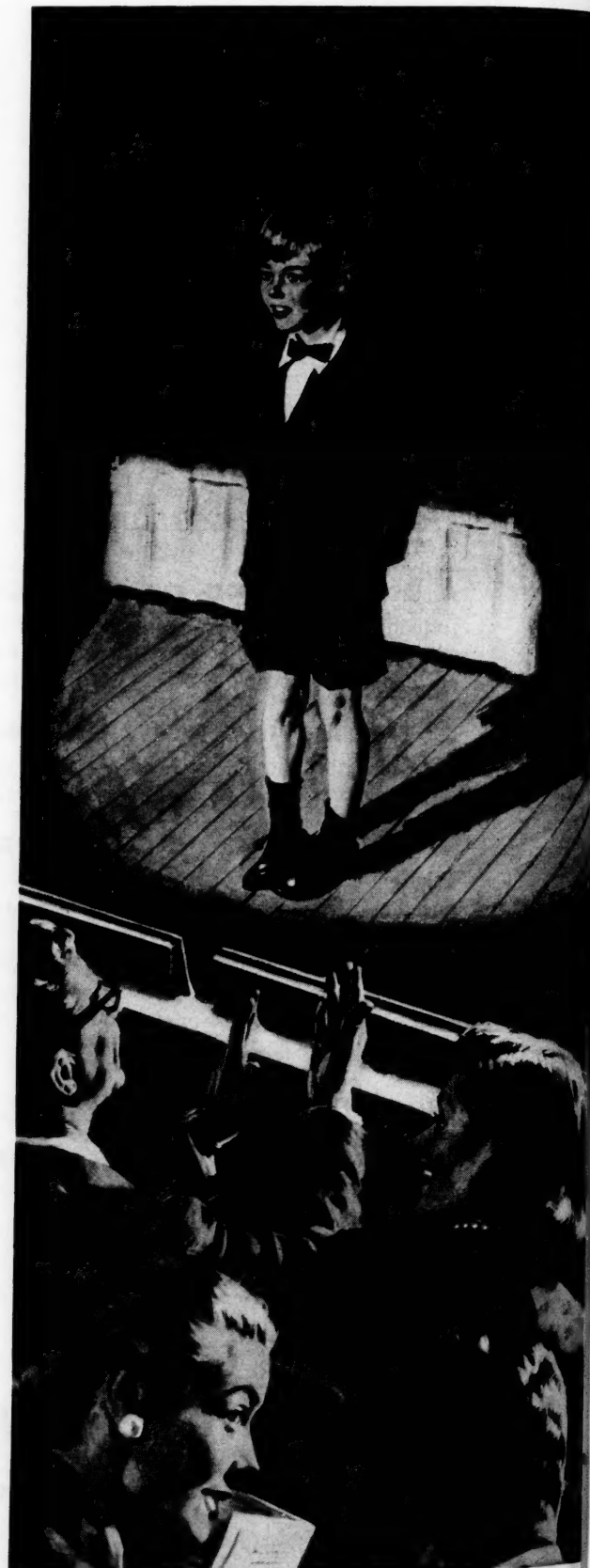
That's why Connecticut Mutual Life believes in creating *individual* life insurance programs for *each* family. There's a CML man near you. He'll be glad to help you analyze *your* needs for family protection and retirement and help you find the answer to the basic question, "How much and what kind of life insurance should I own?" He'll assist you in selecting the right combination of policies and payment methods from the hundreds CML offers. And, if you wish, he'll work with you through the years to keep your insurance constantly in tune with your dreams.

So talk with a CML man. Let him help you realize lifelong peace of mind through protection and security, made to measure for *your* Jimmy, *your* family—and *you*.

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## Agents Advised: Stay Out Of Coffee Houses When Hustling Sales

The agent intent upon lifting himself into the ranks of the successful should first learn to stay out of the coffee houses when he should be hustling business, advised Jack White, agent of New York Life at Dothan, Ala., speaking before the Gator Sales Congress of Florida Life Underwriters Assn., which was at Miami, Lakeland, Tallahassee and Jacksonville.

Over 2,800 life agents in the four cities attended the Congress which had as speakers Mr. White; Oren D. Pritchard, president of National Assn. of Life Underwriters and manager of Union Central at Indianapolis, and Umberto Palo, Prudential, New Brunswick, N.J.

Mr. White listed his "Don't get coffeeitis" admonition as first among a roster of "don'ts" for the agent. Others he suggested were: don't suppose a man is loaded with life insurance; don't figure he has a friend in the business who has already sold him insurance; don't worry; don't argue; don't waste

time with the smart-aleck prospect; don't romance the prospect too much, and don't see too many people (you can contact yourself out of the business).

On the more positive side, Mr. White advised agents to rent an office downtown, where the added expense will be an incentive to sell more business.

Mr. Pritchard said that NALU is largely responsible for gains in agent education. A steady, clear and concise program has brought this mainstay of the business directly to the man in the field, he noted.

## Home Life President Blasts Tax Proposal As 'Discriminatory'

NEW YORK—President William P. Worthington of Home Life of New York told the board of directors that the proposed federal income tax increase "would be an unwarranted and discriminatory burden on the policy owners of mutual life insurance companies."



W. P. Worthington

He said the necessity for setting aside a reserve for such an increase in federal income taxes reduced the company's balance of premiums and interest for 1958, after payment of all claims and setting aside increases in reserve required by law, by more than \$600,000 as compared with 1957. This net balance is the fund available for dividends to policyholders and for increasing surplus and contingency reserves.

### Treatment Is Discriminatory

"Although the federal budget must be balanced," said Mr. Worthington, "we feel that it is entirely unjustifiable for Congress to so increase the taxes which must be borne by a life insurance policy owner when general tax increases are not being proposed."

Mr. Worthington stressed these points:

—Federal income taxes paid by life companies on their 1957 operations were already 10 times what they were in 1945, even without any further increase.

—Life companies also pay heavy taxes to all states in which they operate.

—In the case of mutual life companies, all such taxes, although collected from the companies, must, in effect be borne by millions of policyholders through reduced dividends or higher premium rates.

### Don't Operate For Profit

—Mutual life companies do not have any stockholders and do not operate for profit. Their only income which might justifiably be taxed is their investment income. If the federal government collected taxes from the individual policyholders on the companies' investment income less expenses of operations, the total tax they would pay at their average individual tax rate would be only about one-third of the amount actually collected on the companies' 1957 operations. Yet the proposal would increase the tax rate on their 1958 operations by 70% or more.

Mr. Worthington also pointed out that the investment income earned on the many billions of dollars of private pension funds placed with trust companies is not subject to federal income tax, which means that "the income tax laws discriminate against the millions of thrifty and self-reliant individuals who are endeavoring to protect their families and provide for their own retirement through life insurance, as well as against corporations which choose to place their pension trusts with a life insurance company rather than with a trust company."

Indiana Home Office Underwriters will meet in Indianapolis, on March 11. Problem cases in life and A&S underwriting will be discussed.

*Because  
people  
are different...*

# Ads like this one are stressing the service of the life underwriter

Each prospect for life insurance has individual and different needs that can be met correctly only by a competent agent.

In full color ads in Time and Newsweek we tell prospects, "Your income, your aims and your needs are not the same as those of the fellow next door. So your life insur-

ance needs are different, too."

As this advertising campaign increases its impact on America's best prospects, more and more of them will realize why a good agent's services are of paramount importance—if the policyholder is to get the most out of his life insurance.

# Connecticut Mutual Life

INSURANCE COMPANY • HARTFORD

## Continental-National Has Monthly Plan

Continental-National group is marketing a homeowner's "package" which combines life and A&S and fire coverages. Premiums are payable monthly and are no higher than for all three coverages separately on an annual premium basis.

The separate risks are assumed by Continental Assurance (life) Continental Casualty (A&S) and National

Fire (fire and allied).

A 35-year old insured with a 20-year \$10,000 mortgage on his home and with typical fire coverage would pay \$20 a month for the "package," including life and A&S. Mortgages up to 30 years can be covered. The disability payments begin after the 15th day and run up to five years.

### Ohio National Issues

#### Guaranteed Purchase Rider

Ohio National Life has introduced a Guaranteed Purchase Option rider

which permits purchase of additional insurance without evidence of insurability at three year intervals, starting at 25 and ending with the policy anniversary nearest age 40. Additional insurance may be purchased at each option date on face amount of basic policy, to a maximum of \$10,000.

The rider will be sold as part of any permanent life policy of \$5,000 face amount or larger. A policy will be issued non-medically with the Guaranteed Purchase Option if it could have been issued non-medically without the option.

## Aetna Life Makes Many Promotions

HARTFORD—Aetna Life has made these promotions:

Robert W. Conly, vice-president and comptroller, was named senior vice-president and comptroller of Aetna Life, Aetna Casualty and Standard Fire. He joined the group in 1926 and was manager of the casualty company's Hartford office before going to the home office in 1952 as assistant vice-president.

Also promoted in the three companies are Robert G. Espie, an actuary and since 1953 chief accounting officer, who becomes vice-president and assistant comptroller; Crampton Trainer, assistant vice-president and assistant treasurer since 1957, who is named vice-president and assistant treasurer, and Daniel P. Cavanaugh, assistant general counsel since 1955, who becomes associate general counsel.

### More Aetna Life Advancements

In Aetna Life, the following were promoted to the positions indicated:

Daniel W. Pettengill, associate actuary, to actuary; R. Douglas Swinehart, assistant vice-president, to vice-president mortgage loan department; Gray B. Larkum, manager mortgage loan department, to assistant vice-president; Rudolph C. Larson, assistant secretary A&S department, to secretary; Clifford C. Widen, assistant auditor, to secretary controller's department; Earle R. Carter, assistant secretary life underwriting department, to secretary; Gordon C. Streeter, assistant actuary, to associate actuary; Clarence L. Prickett, assistant manager mortgage loan department to manager; H. E. Ross, assistant mortgage loan manager, to regional manager; John O. Morris, assistant counsel in the group division to assistant counsel of the company.

Appointed officers of the three companies are Robert L. Adams, supervisor casualty audit section, who becomes assistant auditor; Willard R. Andrews, supervisor securities section, who is named assistant cashier, and James M. Brown of the investment department, who becomes investment officer.

Allan R. Hardie and William T. Kieffer Jr., group division superintendents, and Ellis H. Speath, group annuity superintendent, were all appointed assistant secretaries in the group division.

Aadu Kallas of the law department becomes assistant counsel.

## Mr. Agency Builder

# Clinch YOUR Personal Fortune with this Money-Making Magnet!



### STRONG PERSONAL PRODUCERS

who are especially interested in:

- Top Commissions on 10 Leading Policy Contracts.
- Vested Renewals plus Higher Life-Time Service Fees
- Non-Contributory Pension Plan for Personal Security.

*They Make Money—and You Make Money!*



### NEW AGENTS with CAREER AMBITIONS

who are especially interested in:

- A Fast, Easy-To-Learn Training System.
- Simple, Successful, Easy-to-Use Sales Packages.
- Substantial Early Commissions with Growth Opportunity.

*They Make Money—and You Make Money!*



### GENERAL INSURANCE AGENTS AND BROKERS

who are especially interested in:

- Ready-Made Sales Packages with Easy-to-Use Visuals.
- Every-Age-Demonstrator-Books for Quick, Easy Sales.
- Streamlined Rate Books for Maximum Production in Minimum Time.

*They Make Money—and You Make Money!*

**Friendly and Effective Home Office  
Field Help for YOU in Recruiting,  
Training and Building YOUR AGENCY!**

### Agency-Building Opportunities in:

Alabama, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington D.C., and West Virginia

## COLUMBUS MUTUAL

The Golden Rule Life Insurance Company

Home Office: 303 E. Broad St., Columbus 16, Ohio

Frederick E. Jones, President;

Fred C. Adams, Sup't. of Agents

**Columbus Mutual's Contract,  
Sales Packages and  
Training Programs  
ATTRACT and HOLD  
every kind of Agent**

**PLUS**

**FOR YOU --  
Liberal Agency  
Overwriting  
and Liberal  
Expense Allowance.**

*And*



## Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

**Cartwright, Vallean & Co.**

Members Midwest Stock Exchange

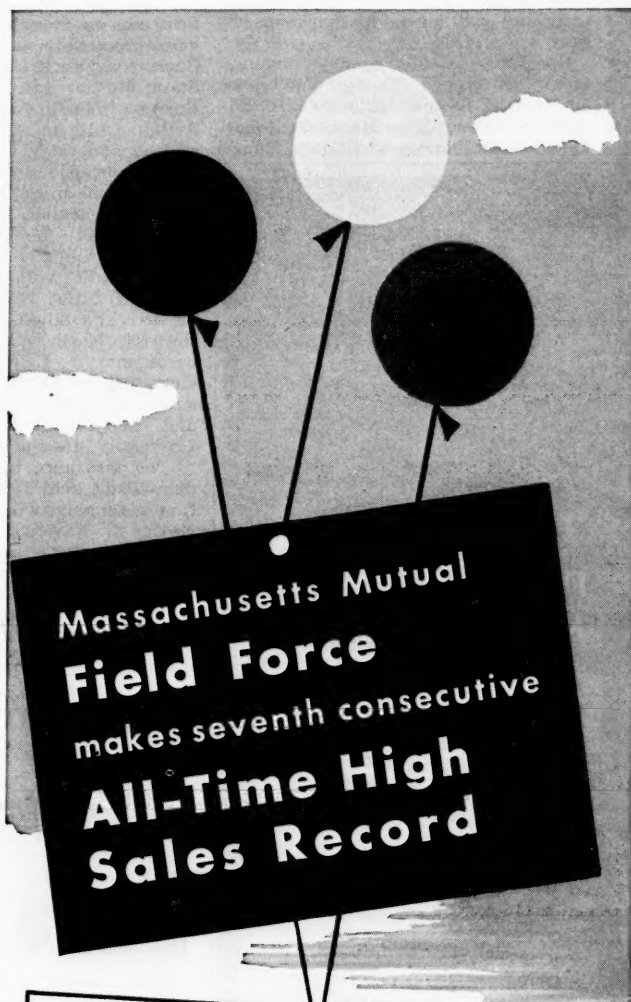
Board of Trade Building

Chicago 4, Illinois

WAbash 2-2535 Teletype CG1475

You may telephone orders collect.





|                             |               |
|-----------------------------|---------------|
| Ordinary, New High, 1958... | \$942,798,040 |
| Previous High, 1957.....    | 702,577,646   |
| 34.2% Increase.....         | \$240,220,394 |

## 12 All-time Record Months

Sales in each of the 12 months of 1958 exceeded the records for the corresponding months in *all* past years. This made 50 consecutive all-time monthly records and 76 consecutive months in which the production of the corresponding month in the previous year was exceeded.

## 166 Million-Dollar Men

(ORDINARY IN MASSACHUSETTS MUTUAL)

Each of 166 producers including 10 General Agents placed over \$1,000,000 Ordinary in the Massachusetts Mutual for a total of \$234,833,000.



Los Angeles Agency, Robert L. Woods, C.L.U., General Agent, with 1958 sales of \$45,607,107, established a new all-time high annual record for a Massachusetts Mutual agency, and with \$6,149,148 January sales set a new high for any agency in a single month.



Jacques S. Zinman, Philadelphia-Miller Agency, with sales of \$4,935,000, was the leading producer for the year and made a new all-time high annual record for a Massachusetts Mutual man.



Charles A. Norris, Greensboro, N. C. Agency, with 248 individual sales exclusive of pension trust and group, led the field in number of lives.

## Massachusetts Mutual LIFE INSURANCE COMPANY

ORGANIZED 1851 SPRINGFIELD MASSACHUSETTS

## L.F. Lee, Chairman Of Occidental Of Raleigh, Retires

Laurence F. Lee, chairman of Occidental of Raleigh, has retired from active participation in the company and is succeeded by W. H. Trentman, president since 1956. Mr. Lee has been named chairman emeritus by the directors and will serve as a consultant. Mr. Trentman will continue as president.

In announcing his retirement, Mr.

Lee said that long and careful consideration had led him to the decision and he was making it "in order that I can lead a more leisurely life while still in good health."

He will continue to be active in Peninsular Life, the Jacksonville, Fla., insurer which he heads as chairman. Mr. Lee is a past president of American Life Convention and U. S. Chamber of Commerce.

Manhattan Life has elected Robert C. Hendon, vice-president, operations, of Railway Express Agency, a director.

## Ohio State University Insurance Conference Slated For March 12-13

The program for the annual insurance conference of Ohio State University March 12-13 and its attendant insurance hall of fame luncheon has been completed.

Speaking at the agency management conference Thursday will be Clarence B. Kenney, Allstate Life; Edward A. Green, John Hancock; Robert J. Mehr, University of Illinois; Robert

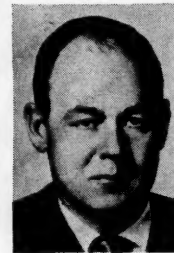
A. Rennie, Nationwide Mutual, and Paul A. Norton, New York Life. Davis W. Gregg, president of the American College, will speak on "Chaos Limited" at the luncheon session.

At the agency management session Friday morning, C. Richard Pettigrew, College Life, will speak on "Which Problems to Solve?" A panel on new man production will consist of Lee Buck, New York Life; Nathan Paulus, State Mutual Life; Robert M. Best, Business Men's Assurance; with W. Arthur Cullman, Ohio State University, as moderator.

An insurance survey of a furniture store will be presented at the fire and casualty section Friday morning. Speakers will be Douglas N. Avery, secretary Ohio Assn. of Insurance Agents, who will present the case; Curtis N. Elliot, University of Nebraska, fire and allied lines; Acis Jenkinson III, North America, inland and ocean marine; Lewis V. Irvine, Travelers, crime; Davis T. Ratcliffe, Insurance Society of New York, liability; and Hampton H. Irwin, Wayne State University, life and A&S.

The insurance hall of fame luncheon will be held Friday and the induction ceremony will be conducted by Novice G. Fawcett, president of Ohio State University, and Chester O. Sullivan, Midland Mutual Life.

**Mackenzie Leads New England Life**  
Kenneth R. Mackenzie of the Summers agency, Boston, was New Eng-



Selby L. Turner



K. R. Mackenzie

land Life's leading agent for 1958 with sales, including pension and group, of \$4,049,000. Runner-up was Henrikas Rabinavicius of the Byrnes agency, New York, with \$3.9 million.

Top agent in ordinary sales, not including pensions and group, was Selby L. Turner of the Corwin agency, New York, with \$3,427,000, followed by W. Franklin Scarborough of the Armstrong agency, Philadelphia, with \$2,555,000.

### The Unity Mutual Life Insurance Company of New York

Insures  
The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING  
President

L. J. BAYLEY  
Secretary

HOME OFFICE—SYRACUSE, N. Y.

# OHIO is next!

Soon we will be making  
agency appointments in Ohio...

**\*American Health Insurance**, like its present agencies, is growing on a planned progression program. In 13 other states it has built outstanding agencies—Ohio is next—and as elsewhere, we expect to do a good job and a big one.

**Do you belong in our picture?** Your most valuable asset—to yourself and to us—is your local reputation. We know, from our background of 20 years of sound, specialized experience, that people like best to do business with a home town business man. To be an American Health Agent you must fill that bill—with enthusiasm, integrity and diligence.

**The company and agent** who specialize in personal and family insurance serve the public best. By specializing, the company can give its policy owners better value, better coverage, better service. As a specialist, the agent can develop his professional skill, with sufficient time devoted to administering service. American Health seeks substantial volume at a limited, carefully selected number of points—where local service can be provided thru local agents who serve the company faithfully and the public honorably. Only under these conditions is the cost of good local service justified.

**If you desire a professional career in business for yourself**, this is a unique opportunity. With thorough training, with full company support, and with personal application you can give the amount and quality of service to find a successful and profitable career. Your career will be based on satisfied policy holders.

**\*American Health sets a pattern**—in designing its coverages, in establishing its rates, in its underwriting methods—that permits the local

Managing Agent (who is the company in his territory) to pay claims on the spot promptly and without red tape. Any informed agent is fully aware of the importance of prompt claim payments to the growth of his business.

**If you are the kind of agent** we are seeking, you'll be delighted to find that American Health is your kind of company. You'll want to learn more about the very special opportunity we have to offer now . . . in Ohio.

**"Where there's a will there's a way."** Write for our booklets, "The American Health Story" and "Automatic Progression Program." A sound, secure, profitable career is available to the man who has the will . . . for here is a way. Write direct to Agency Department, AMERICAN HEALTH INSURANCE CORPORATION, 300 St. Paul Place, Baltimore 2, Md.

**Our representative will be in Ohio in the weeks ahead.** Inquire promptly so that you may be included in his plans.

\*A specialist insurer with a reputation for integrity.



*It makes sense to expect special results from a specialist in the field*



## Statements Continue To Reflect Gains

### HOMESTEADERS LIFE

A 26% increase in new business of Homesteaders Life in 1958 brought insurance in force at year end to \$2,341,101. Net interest on investments was 3.59%, and benefit payments totaled \$1,107,460.

### HOME LIFE OF NEW YORK

Home Life of New York's total insurance in force at year-end was \$1,995,934,000, up 8%, of which \$1,604,214,000 was individual life. Assets were \$382,357,000, and net interest rate earned, before federal income taxes, was 3.93%. After deducting the reserve set aside for such taxes, the net interest rate earned on all assets was 3.47%.

Individual insurance sales were \$211,076,000, a 6% increase, and group sales of \$40,778,000, gained 20%. Benefits payments were a record \$31,329,000, an increase of 8%.

### INTERSTATE L. & A.

Assets of Interstate Life & Accident in 1958 increased \$4,375,679 to \$52,071,528, and combined capital and surplus gained \$1,181,588 to \$8,105,308. Life in force increased \$26,415,106 to \$479,950,597. A&S premiums were \$8,373,754, a record, and total income including investment income was \$23,945,921.

Life policy reserves at year-end were \$40,478,297, up \$3,042,165. Benefit payments were more than \$7.5 million.

### LIFE OF GEORGIA

Life in force of Life of Georgia at year-end was \$1,583,876,837, up \$116,731,435. Assets were \$171,779,931, a gain of \$16,182,321. Net rate of interest earned before federal income taxes was 3.69%, up from 3.66%.

Benefit payments were \$16,972,864, an increase of \$1,583,795, of which death claims were \$6,117,000, A&S claims were \$4,440,000, and cash surrenders totaled \$6,216,000.

Ordinary life volume increased \$72,384,603 to \$473,937,132; group sales gained \$35,656,727 to \$114,902,057, and weekly premium rose \$8,690,105 to \$994,037,684. A&S premiums were up \$1,431,582 to \$10,284,755.

### NEW YORK LIFE

New York Life benefit payments in 1958 were \$446,527,215, up \$21,764,666. Life in force rose from \$19,134,281,124 to \$20,669,933,525, and dividends set aside for 1959 were \$111 million, as compared with \$106 million for 1958.

Sales of individual life reached \$2,573,928,520, a record and gain of \$6,361,330. Group life sales were \$339,209,612, down from group sales in 1957 of \$733,806,825.

Premium income from individual and group A&S coverage was \$57,269,175, a gain of \$5,808,445. New investments totaled \$436,865,526, and investments were made at a gross rate of 5.18%, the highest in 30 years. New mortgage loans amounted to \$167,397,915, bonds \$214,391,693, and real estate and stocks \$55,075,918.

Assets were \$6,707,202,736, up \$282,395,477, of which \$4 billion was invested in stocks and bonds and \$1.9 billion in mortgage loans. Net yield after investment expenses and before federal income taxes was 3.73%, as compared with 3.64% in 1957.

The average size individual life policy sold in 1958 was \$8,766, as compared to \$8,121.

### OIL INDUSTRIES LIFE

Insurance in force of Oil Industries Life reached \$120,690,050 in 1958. Assets now total \$5,700,521 and capital and surplus is \$1,018,788. Benefit payments amounted to \$717,153.

### OLD LINE LIFE

Old Line Life recorded a 20.8% gain in sales, and insurance in force at year end reached \$214,281,795. Premium income was \$6,414,101 and investment income totaled \$2,292,605. Net yield on investments averaged 4.58%.

Assets at year end amounted to \$62,014,389, an increase of \$2,619,999.

Benefit payments amounted to \$3,719,662, of which 69% went to living policyholders.

### PHOENIX MUTUAL LIFE

The high point in the growth of Phoenix Mutual in 1958 was the attainment of \$2 billion dollars of life in force. The year also saw a new high of more than \$53 million paid to policyholders and beneficiaries. Sales of individual and group life were \$317,265,000 and \$28,481,000 in that order, a total gain of \$1,650,000. Insurance in force increased by \$212,664,000 and stands at a new high of \$2,077,092,000. Premiums from new purchases were \$12,314,000 and total premiums amounted to \$76,834,000. Assets increased by \$39,357,000 and total \$825,207,000.

The average gross yield on all new investments made during 1958 was 5.16% as compared with 5.08% in 1957, and the combined effect of all investment activities increased the net yield on all investments before federal income tax from 3.75% in 1957 to 3.86% in 1958, the highest experienced by the company since 1932.

### POSTAL LIFE

Postal Life's ordinary sales in 1958 exceeded \$31 million; group sales were \$25,498,000, up almost 100% over the best previous group year, and life in force at year end was \$226 million, a gain of \$37,948,000.

Assets were \$26,265,339; premium income was \$5,887,173, and total benefit payments were \$2,569,601.

### PROTECTIVE LIFE OF ALABAMA

Protective Life of Alabama at year-end 1958 had more than \$1,035,000,000 life in force. Benefit payments were \$15,402,180. Assets increased by \$8,482,544 to \$92,224,213, and policy reserves gained \$4,972,202 to a total of \$71,384,545.

### SECURITY MUTUAL, N. Y.

Life insurance and annuity policyholders of Security Mutual of New York in 1958 paid \$13,229,802 in premiums. Paid premiums from individual A&S policyholders were \$5,972,556, up more than \$500,000, and group life and A&S premiums were \$2,772,137, an increase of more than \$206,000.

Policyholders own 80,499 life policies and 33,400 individual A&S policies. There are also 2,198 master group policies covering 43,194 individuals.

Assets were \$112,627,917, up \$4,597,692 and net interest earned before income taxes was 3.86%. Net investment income was \$3,573,827.

After expenses, taxes, and charges

(CONTINUED ON PAGE 19)

"The only way to

GROW is GO

... and now

we're going for

THREE BILLION

in record time."



Theo. P. Beasley  
President

why don't you join the Go Team

NEW GENERAL AGENCY OPPORTUNITIES

with the

Republic National Life Insurance Company

Top Commissions • Vested Renewals  
Complete Line of Life and Accident and Sickness  
Group • Sub-Standard • Pension Trust  
Franchise • Guaranteed Issue

Will accept Non-Medical to \$25,000.00

for full time Agents and General Agents

Write James W. Galloway, Assistant Vice President and Director of General Agencies

REPUBLIC NATIONAL LIFE INSURANCE COMPANY - HOME OFFICE - DALLAS

LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • HOSPITALIZATION  
GROUP • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES

## Says Mutual Funds Help Give Service

(CONTINUED FROM PAGE 1)

today is faced with this situation," he said. "The public has been forced by circumstances into an awareness of inflation and its effect on the purchasing power of money. The rapidly depreciating dollar, the constantly rising tax burden and the American's insatiable desire for a higher standard of living have created tremendous competition for the consumer's dollar—placing the average man today into a three-way pinch.

"As a consequence, he does not possess the buying power to enable him to establish a sound and permanent life insurance program sufficient to protect his family in the event of his death and still leave the means with which to build equity investments designed to meet rising cost pressures. The younger buyer of life insurance is giving the agent more and more resistance, spoken or unspoken, on buying life insurance as an

investment. On protection, there's no leave a wide margin to spare."

Mr. Leys emphasized that he was not looking just at the recent boom years. He pointed out that intensive studies show that over the past 80 years all the industrial stocks on the New York Stock Exchange showed better than an average 8% annual return, consisting of 4 to 5% in dividends and the balance in capital growth. He also pointed out that in the more recent years of inflation—the past 20 years—the average annual market appreciation and dividend return combined has been 12% or better.

### Money Frittered Away

"Here's the reason: If you deprive the client of a traditional method of saving, that is, life insurance cash values, and fail to supply him with something to take its place, then that money will be spent in everyday living or go into something like a boat or some other kind of fun, but never into savings. Ten years hence, he'll have a minimum deposit contract with a staggering loan and no possible way of paying it off. Besides that, the big interest he must pay each year will make the whole deal more and more unpalatable, increasing the likelihood of lapse."

So letting the individual set up his own saving program is no solution and is a decided disservice to the client, Mr. Leys is firmly convinced.

### Good Intentions, No Results

"What happens if he tries to set up his own savings plan?" he asked. "Ninety percent of these fellows just won't do it, though they have every intention of doing it. With the 10% who will follow through, we've found from experience that even though they buy their investments according to plan, they soon divorce these equities from the minimum deposit contract in their own minds."

"They'll spend the dividends and forget that they were supposed to be earmarked for the policy loan interest on the minimum deposit plan. Thus they're still aghast at the way the loan and the interest charges are building up. So they, along with the 90% who fail to save at all, are back in the position of paying out a lot of money and winding up with nothing."

"We believe that with minimum deposit there should be sold—or has to be sold because the prospect won't buy life insurance on the conventional basis—a program of systematic investing. In many cases, we have seen life insurance sold on this basis where it could never have been sold on the usual basis."

### Method's Soundness Proved

Mr. Leys observed that a mutual fund is not so much an investment as it is a method of investing, and as such it is as sound a method as has been established in the entire investment industry.

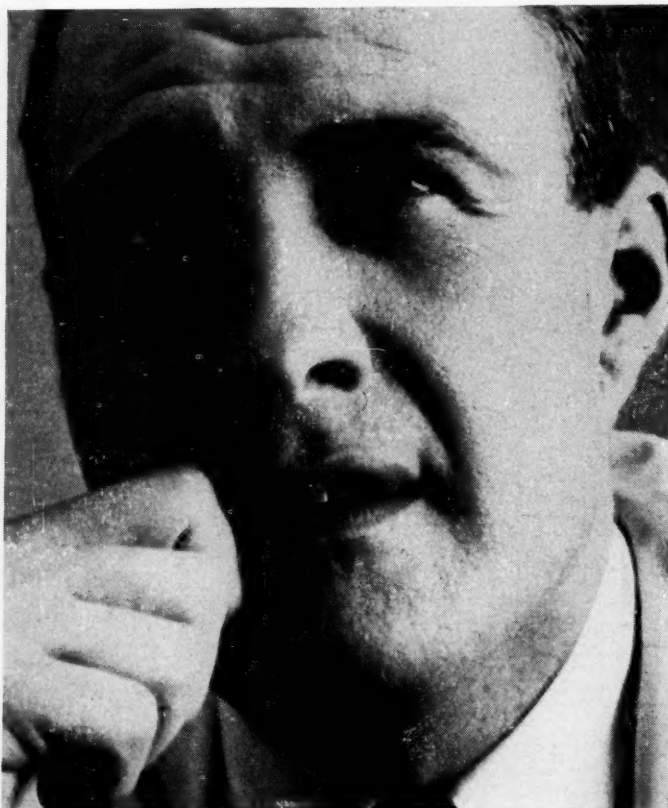
"If the life insurance man," said Mr. Leys, "provides his client with a combined program committing him to a total allocation of money equal to the annual premium on the permanent life insurance, that is, the minimum deposit plus the difference between the gross annual premium and the minimum deposit each year, then you are selling the man a program in which he is investing at least as much as the loan he is building up against the policy."

"If future experience is even part of that of the past, then we believe that we can expect that the investment of this money in common stock mutual fund shares should bring in, through dividends, and if required, distributions of capital gains, enough to meet the loan interest and still

"I believe that the public always gets what it wants," Mr. Leys observed. "Why should the life insurance agent be placed in the position of having to tell his client, 'You've got to buy on the conventional basis or I can't sell you'? To say that the public must take what the life insurance industry, complacently ensconced and hermetically sealed in its ivory towers, thinks the public should have is out of date."

"Another point is this: As a life agent, do I want someone else who is

## "3 BUILDERS — what do you mean?"



We're referring to the Union Mutual team that helps build our field men. This trio, made up of a Regional Agency Supervisor, a Field Development Supervisor and the Agency Manager, directs its efforts toward building the field-man — assisting him in all phases of his personal growth.

In the process, we make available the best sales tools and provide careful training, guidance and supervision. Out of the mold of consideration and understanding comes a man of greater stature and income — who is a happy member of his community and a credit both to himself and to the name of Union Mutual.

## UNION MUTUAL

LIFE INSURANCE COMPANY OF PORTLAND, MAINE

Canadian Head Office — Montreal, P. Q.  
America's Eighth Oldest Life Insurance Company

Offering All Forms Of  
LIFE NON-CAN GROUP

Rolland E. Irish, President — John R. Carnochan,  
Vice President in Charge of Agencies

LIFE UNDERWRITERS SINCE 1848

## SUN LIFE REPORTS TO YOU

For the Sun Life — one of the world's great life insurance companies — 1958 was a year of sound business expansion. The company enters its 89th year of public service justifiably proud of its representatives and the product they market — personal and family protection and security through life insurance.

### Highlights of the year

- New life insurance sold during 1958: \$990,409,536.
- Life insurance in force at Dec. 31st, 1958: \$8,357,666,274.
- Paid to Sun Life policyholders and beneficiaries during 1958: \$159,337,179.
- Total benefits paid since organization: \$3,455,292,753.
- Dividends payable to policyholders in 1959: \$36,261,000.



**SUN LIFE  
OF  
CANADA**



not a qualified estate planner, like so many part-time mutual fund salesmen, for instance, to get hold of my client? This could harm my client, me and the insurance industry itself, because that salesman, no matter how inadequately trained or improperly furnished with a product, has, in his product, plenty of past-performance appeal working for him.

"No matter how good a salesman I may be, I don't relish the thought of my clients being subjected to the blandishments of a competitor whose advice, if followed, can almost surely wreck the program of security which I have helped my client to build.

"The life insurance industry originally was composed of just plain salesmen. Then, by process of education and thorough training the agent came to be looked upon as an 'estate planner.' But estate planning implies the use of more tools than just the policy contract. The use of equity investments is one of those tools.

#### Can't Be Real Planner

"If the life insurance agent is going to go back to just selling life insurance and admit to the public that life agents are not really estate planners in the true sense—that they are merely insurance salesmen—then how can the agent continue to pass himself off as an estate planner?

"We don't believe that thinking life agents are going to limit themselves in this way. We have found that the men who sell fund shares through us—and a lot of them are connected with companies which have forbidden their agents to sell mutual funds—are continuing to offer their mutual fund services to their clients regardless of roadblocks."

The position of Mutual Fund Planning Corp. in relation to the agents of those life agencies which have open association with the corporation was recently set forth as follows in a general statement of policy:

#### Only An Additional Tool

"It is our position that the representation of mutual funds should be only in the capacity of an additional tool of financial planning or a selling point to help the agents to build their life insurance business on a sound and profitable basis. It is our understanding that in most instances their activity in this field is expected to originate as a result of the combination sale where the lack of representation of mutual funds can only serve to hinder the agent in developing his client.

It is also our conviction that by keeping an open-book policy on the sale of minimum deposit life insurance with mutual funds, the general agent can better exercise a sound measure of control on the sale of these plans by the agent—thereby preventing abuses which will otherwise develop if the agent is left no alternative but to go underground in his arrangements on this type of plan. We have ample evidence to prove that all attempts to date to deny the agent representation of mutual funds for this type of planning have led to this result."

#### Midland Mutual Changes Non-Medical Limits

Midland Mutual Life has changed the limits on coverage issued on a non-medical basis. Non-medical limits for ages under 6 months and 1 to 14, inclusive, have been increased to \$15,-



Banjo clock, symbol of Connecticut Mutual's president's organization trophy is held by winner Robert B. Whittemore, Boston general agent, during general agents conference at Hollywood, Fla. Charles J. Zimmerman, president, third from right, made the presentation. Other four winning general agents, who received plaques in lieu of clocks their agencies had won in prior years, are from left, David B. Fluegelman, New York; Edward B. Bates, Los Angeles; DeWitt Jones Jr., Denver, and Paul C. Kraul, Omaha.

000. The schedule of non-medical limits is now: 30 years and under, \$15,000; 31 to 35, \$10,000; and 36 to 40, \$5,000.

Married females, divorcees and widows now qualify for the same non-medical limits as men.

#### Bankers National Life Again To Sponsor Montclair College Fete

Bankers National Life and Montclair State College, which last year inaugurated the college's annual Breakfast Round Table, will again sponsor the affair when it is held April 1.

#### To Vote On Southland Life Stock Dividend

Stockholders of Southland Life at their March 10 annual meeting will vote on a recommendation to issue one additional share of stock as a dividend for every three shares held. There are presently 300,000 shares of common stock outstanding.

Directors have voted to pay the regular \$1.75 per share annual cash dividend on the existing 300,000 shares, payable March 10 to stockholders of record Feb. 27.

During 1958, the company added approximately \$1.9 million capital. Assets totaled \$224,101,656, total income was over \$39 million, and insurance in force increased to \$1,237,000,000. Benefit payments were over \$16 million.

Fourteen combination company managers attended the moderators conference for the study course in district management promoted by General Agents & Managers Conference of NALU at LIAMA headquarters in Hartford.

## NOTES ON A LAUNCHING PAD...

This talk about launching men into space has a familiar ring.

We've been launching men for years . . . into careers, that is, . . . and the sky's still the limit.



THE  
NATIONAL LIFE  
AND ACCIDENT  
INSURANCE COMPANY  
HOME OFFICE - NASHVILLE, TENNESSEE

## Editorial Comment

### Must We Become A Pressure Group?

A subscriber has written us to express amazement at what he calls the pusillanimity of the life insurance industry in the face of the impending new taxes.

"Any other industry that I have had contact with would have mobilized all interested persons, which in this case must amount to at least several million, to write, wire, telephone or personally visit their Congressmen and Senators with reference to the pending legislation," he says. "The life insurance industry has done nothing in this connection."

"If people get the sort of government they deserve, it is certainly true that they get the sort of legislation they deserve. The life insurance industry doesn't deserve any better legislation."

We believe "pusillanimity" to be wholly unjustified inductive, for whatever has happened has not been due to meanness of spirit or lack of courage. But the point about failure to get the public or even the field forces aroused could well be taken to heart.

The industry has had a shocking lesson in what the Treasury and Congress can and will do to life insurance policyholders. Life insurance men were prepared for a tax increase. They

were not prepared for a tax bill that was geared to nothing except a pressing need for revenue.

How much of the Treasury and congressional willingness to dump such an unjustifiable load on the life insurance policyholders was due to a realization that they weren't prepared to do much about it is hard to appraise. But it is fair to ask, Would a shocker like this have been perpetrated against the AFL-CIO? The answer can only be No. The reason is simple: As the fellow said when he refused to poke the hornets' nest, they're organized.

It is saddening to think that life insurance policyholders may have to become a pressure group to keep this socially essential form of thrift from being unfairly depleted. But when other pressure groups have so much success that the government must perforce raise the ante on everybody else, maybe the only answer is to get the policyholders aroused to what is being done to them. A good starter would be to include stuffers in premium notices to explain how much of the premium dollar goes for federal income taxes. And while we're about it, we might show how much goes for other forms of tax, as well.—R.B.M.

## Personals

**Ronald G. Stagg**, vice-president of Lincoln National Life, has been named general chairman of the 1959 United Fund campaign of Fort Wayne and Allen county. He is a director of the United Fund and last year served as associate campaign chairman.

**Byron K. Elliott**, president of John Hancock, has been elected a member of the Massachusetts advisory committee to the Federal Commission on Civil Rights.

**Herbert D. Eagle**, group vice-president of Occidental Life of California, was a workshop participant at the selling career conference for junior college representatives at Los Angeles. The conference was sponsored by Sales Executives Club of Los Angeles.

**George E. Johnson**, chairman of Equity Annuity Life, testified at the U. S. District Court of Chicago in the suit of the U. S. government vs E. I. duPont de Nemours & Co. to force the latter company to dispose of its large holdings in General Motors stock.

**Charles G. Dougherty**, vice-president, insurance and public relations, of Metropolitan Life, has been named chairman of the life insurance division of the New York Red Cross chapter's 1959 fund campaign.

**H. G. Kenagy**, retired vice-president of Mutual Benefit Life, will be one of the principal speakers in a debate on compulsory vs flexible retirement plans at the annual University of Michigan conference on problems of the aged to be held in June. Since his retirement in 1953, Mr. Kenagy has

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, March 3, 1959

|                                | Bid  | Asked |
|--------------------------------|------|-------|
| Aetna Life .....               | 223  | 228   |
| Beneficial Standard .....      | 14   | 15    |
| Business Men's Assurance ..... | 40   | 42    |
| Cal.-Western States .....      | 119  | 124   |
| Commonwealth Life .....        | 26   | 27    |
| Connecticut General .....      | 334  | 338   |
| Continental Assurance .....    | 173  | 177   |
| Franklin Life .....            | 79   | 80    |
| Great Southern Life .....      | 85   | 90    |
| Gulf Life .....                | 23½  | 24½   |
| Jefferson Standard .....       | 93   | 95    |
| Kansas City Life .....         | 1590 | 1610  |
| Liberty National Life .....    | 58   | 60    |
| Life & Casualty .....          | 21¼  | 22¼   |
| Life of Virginia .....         | 52   | 54    |
| Lincoln National Life .....    | 218  | 222   |
| National L. & A. .....         | 105  | 108   |
| North American, Ill. .....     | 18   | 19    |
| Nw. National Life .....        | 97   | 100   |
| Ohio State Life .....          | 310  | 330   |
| Old Line Life .....            | 62   | 66    |
| Republic National Life .....   | 73   | 76    |
| Southland Life .....           | 130  | 135   |
| Southwestern Life .....        | 143  | 148   |
| Travelers .....                | 92   | 94    |
| United, Ill. .....             | 37   | 39    |
| U. S. Life .....               | 41   | 42    |
| Washington National .....      | 55   | 60    |
| Wisconsin National Life .....  | 86   | 90    |

### Rogan To Leave By June

Commissioner Paul J. Rogan of Wisconsin in an appearance before the legislative budget committee announced he will leave office in June or before. His term is expiring.

The commissioner also said during his appearance that the department has not lost an insurance rate case in the courts during his term and that one fire rate case has meant a savings of \$18 million to Wisconsin insured.

been associate professor in the division of business administration at Texas A. & M.

## Deaths

**ANTHONY J. CAWLEY**, 64, regional manager at San Francisco of John Hancock, died of a heart attack at Burlingame, Cal. He went to San Francisco in 1927 after serving the company in Illinois and Michigan, and he had been regional manager since 1941.

**DR. STEPHEN S. WERTH**, 80, medical director of Reliance Mutual Life, died at Evanston, Ill. He joined the company in 1950 and before that was with Globe Life.

**EUGENE M. LOWMAN**, 72, retired chief examiner of the South Carolina department, died at Columbia.

**THOMAS E. LIPSCOMB**, 64, associate general agent at Louisville of Penn Mutual, died of a heart attack at his desk. He had been general agent of the company for 25 years. Four years ago he asked to be relieved of that position and became associate general agent. Mr. Lipscomb entered insurance as an agent of Massachusetts Mutual after World War I.

### Minn. Blue Cross Wins Exemption From Control

**ST. PAUL**—Minnesota Blue Cross has again won its fight in the state legislature to be exempt from insurance department supervision. The lower house insurance committee by a 10-5 vote indefinitely postponed action on a bill to put Minnesota Hospital Service Assn. under control of the commissioner. Opponents of the bill successfully argued the association is not an insurance company and hence should not be subject to supervision by the department.

### \$100,000 Libel Suit Filed Against Indianapolis Agent

A \$100,000 libel suit has been filed against Henry J. Peirce, Massachusetts Mutual agent at Indianapolis, in what local newspapers refer to as a "proxy battle" involving Disability Income Ins. Co. Mr. Peirce is president of Disability Income of which Oren D. Pritchard, Union Central Life, Indianapolis, was chairman until he resigned upon becoming president of National Assn. of Life Underwriters last fall.

The suit was filed by Richard A. Calkins, former president of Disability Income and now a general agent of it. According to the suit, Mr. Peirce wrote stockholders saying that Mr. Calkins is circulating communications containing "flagrant misrepresentations" in an effort to gain control of the company by acquiring stock and voting proxies.

### Pritchard Suggests Local NALU Units Form GAMAs

Oren D. Pritchard, president of National Assn. of Life Underwriters, has written presidents of 51 local units of NALU suggesting the formation of local associations of general agents and managers in their cities.

"It is through General Agents & Managers Conference," Mr. Pritchard said, "that the best in management and general agency work can be shared with others."

The letter was accompanied by a guide for setting up local GAMA associations. Additional information may be obtained from Donald A. Baker, executive director of GAMC, 608-13th Street, N.W., Washington 5, D.C.

## The NATIONAL UNDERWRITER



The National  
Weekly Newspaper of  
the Insurance

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### SALES OFFICES

**ATLANTA 3, GA.**—333 Candler Bldg., Tel. Murray 8-7177. Fred Baker, Southeastern Manager.

**BOSTON 10, MASS.**—80 Federal St., Rm. 342. Tel. Liberty 2-9229. Roy H. Lang, Southern New England Manager and Dana L. Davis, Northern New England Manager.

**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. WAbash 2-2704. A. J. Wheeler, Chicago Manager. R. J. Wiegman and William D. O'Connell, Resident Managers.

**CINCINNATI 2, OHIO**—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director. George C. Roeding, Associate Manager. Roy Rosenquist, Statistician.

**CLEVELAND 14, OHIO**—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

**DALLAS 1, TEXAS**—328 Interurban Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

**DENVER 2, COLO.**—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

**DES MOINES 9, IOWA**—327 Insurance Exchange Bldg., Tel. Atlantic 2-5968. D. J. Stevenson, Resident Manager.

**DETROIT 26, MICH.**—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

**INDIANAPOLIS 20, IND.**—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

**MINNEAPOLIS 2, MINN.**—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

**NEW YORK 38, N. Y.**—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

**NEWARK 2, N. J.**—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

**PHILADELPHIA 9, PA.**—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

**ST. LOUIS 2, MO.**—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

**SAN FRANCISCO 4, CAL.**—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

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## Nw National Attains \$2 Billion In Force



Northwestern National Life passed the \$2 billion mark of insurance in force with an assist from one of its prominent policyholders, Sen. Hubert H. Humphrey of Minnesota. The attainment came less than eight years after the company recorded its first billion. Sen. Humphrey, a Northwestern National policyholder since 1953, purchased an additional policy the day the two billion mark was reached. He is shown above at right receiving "\$2 billion hankerchief" from John S. Pillsbury Jr., president of Northwestern National.

## Ind. Lawmakers Dig Into Insurance Bills

With the deadline past for introduction of new bills, the Indiana legislature has begun the voluminous study of legislation submitted to it, much of which concerns insurance.

The house has already passed a bill to require a surplus of \$250,000 for capital stock companies. Another bill passed into law enables domestic life companies to invest in Canadian real estate, sets at 8% the amount of assets which may be in real estate, and raises from 5 to 7% the amount of assets which may be invested in primary or subsidiary life companies. The senate rejected a bill to hold private charitable hospitals responsible for negligent acts of officers or employees, but passed a law which removes the \$5,000 limitation of damages in actions against the estate of a deceased wrongdoer.

Bills yet to be studied by the senate include a number on workmen's compensation. A new workmen's compensation act would generally liberalize previous features; time limitations for occurrence of disablement would be extended two years when employee is transferred away from exposure to hazard of disease; employer would pay injured worker's attorney fee when employer appeals compensation award and loses; the \$10,000 limitation on death claims would be removed.

### Would Outlaw 'Sweetheart' Contract

One bill would outlaw the so-called "sweetheart" contracts between hospitals and A&S companies when the contract specifies predetermined rates. This bill was the result of recommendation by a legislative committee

## McGuire Executive V-P Of Security L.&A.

Ira J. McGuire, vice-president of reinsurance, has been promoted to executive vice-president of Security Life & Accident.



Ira J. McGuire

Guire was elected a director in 1951.

## Institute Grants To Aid Teachers Attendance At Family Workshops

Grants from Institute of Life Insurance will help provide more than 550 scholarships to enable teachers from all parts of the country to attend workshops in family finance this summer sponsored at 15 universities by the National Committee for Education in Family Finance. Workshop participants teach such subjects as home economics, business education, mathematics, social studies, family living and guidance at the college and high school levels.

investigating hospital insurance, and it has been bitterly attacked by Blue Cross.

The senate must also study a bill which would require all paid officers except one of an Indiana fraternal to live in the state at least 15 continuous years prior to serving as an officer.

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**ASSURANCE COMPANY**

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with  
Equitable Life  
of Iowa's



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LIFE INSURANCE COMPANY OF IOWA

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**NORTH AMERICAN LIFE**  
*Insurance Company* OF CHICAGO

R. D. Rogers, CLU, Agency Vice President

North American Building

Chicago 3, Illinois



## Home Office Changes

### American United



Lawrence Leland

Lawrence Leland, manager of agencies since last year, has been named a vice-president. He has been in the home office since 1950 and before that was an agent for 11 years.

### Connecticut General

John S. Wyper, secretary of the life underwriting department, has been appointed 2nd vice-president of the department and Dr. Lyon H. Earle Jr.,

assistant medical director, has been named associate medical director. Mr. Wyper has been with Connecticut General since 1946 and Dr. Earle joined the medical department in 1951.

### New York Life

Harold W. Schenke, regional vice-president, midwestern division, since 1958, has been appointed agency vice-president with headquarters in Kansas City. He joined New York Life in 1915 and has been manager at Peoria, St. Louis and Wichita. In 1954, he was named field vice-president of the midwestern division.

W. Earl Manning Jr., assistant regional vice-president for the south central region, becomes regional vice-president with offices at Dallas. With

New York Life since 1934, he has been manager at Ft. Worth, Dallas and St. Louis, and assistant regional vice-president for Greater New York. He is a CLU.

### Republic National Life



H. R. Hunke

assistant to Mr. Galloway.

H.R. Hunke has been named assistant vice-president and director of general agencies for Republic National Life. He succeeds the late James W. Galloway.

Mr. Hunke, who has had 12 years of life sales and management experience, was an

department. He will be succeeded by Byron H. Spence, who has been in the underwriting department since 1951.

### Lincoln National

Samuel P. Adams and Gathings Stewart have been promoted from actuary to 2nd vice-president and actu-

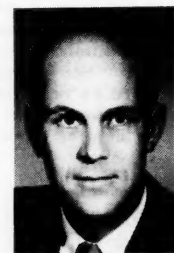


Samuel P. Adams



Gathings Stewart

ary. Paul J. Sauerteig, assistant counsel, has been advanced to assistant general counsel, and Robert Wehmeyer, assistant superintendent of agen-



Robert Wehmeyer



Paul J. Sauerteig

cies, becomes superintendent of agencies. John R. Williams, assistant actuary, has been named associate actuary.

Mr. Adams joined the actuarial department in 1935 and Mr. Stewart in 1937. Mr. Sauerteig has been assistant counsel since 1951. Mr. Wehmeyer joined Lincoln National four years ago and Mr. Williams, who began in 1942, has been in charge of the pension trust department since last year.

### Ministers L.&C.

Arthur E. Bell, vice-president, formerly in charge of group and field departments, has been named sales director; Carl A. Appelquist, former field representative and assistant secretary has been elected secretary for the company, and Howard J. Engstrom, regional secretary for Minnesota, has been promoted to field service manager.

### Security L.&A.

William W. Fralick has been named assistant vice-president and will be in charge of reinsurance. He joined the company in 1949 and has served as assistant actuary, assistant chief underwriter and reinsurance secretary.

### Pacific Mutual

William A. Doyle has been named manager of agent training and development. In the business since 1948, he started with Pacific Mutual in 1957 as supervisor of agents' training.

### Equitable Of Iowa

H. A. Winter, agency auditor of the company, has retired.

Mr. Winter joined Equitable in 1914 at St. Paul. In 1923 he moved to the home office, being named in 1938 assistant agency auditor, and in 1944 agency auditor.

Succeeding Mr. Winter is E. B. Mead, formerly assistant agency auditor. Mr. Mead joined the company in

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Non-cancellable, guaranteed renewable to Age 65—at guaranteed premium rates, non-aggregate, no house confinement, optional hospital-surgical-medical benefits. Sickness benefits from one year to Age 65—Accident from two years to lifetime. (Also participating life insurance and all types of group insurance!)



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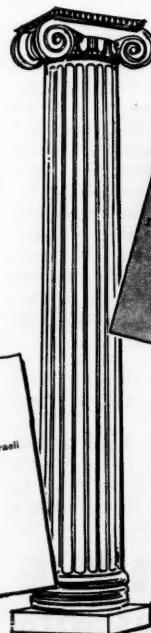
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With Central Standard Life's career contract, you can

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Surplus: \$13,423,467.00



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1931, and following World War II, was named assistant to Mr. Winter. Also advanced is W. C. Linnemeier, who joined the company in 1952. Formerly agency auditing supervisor, he now becomes assistant agency auditor.

### Massachusetts Mutual



Bernhard F. Kalb Jr.

Bernhard F. Kalb Jr. has been appointed director of group sales. He has been regional group manager at Chicago since 1951. Mr. Kalb joined Massachusetts Mutual in Rockford, Ill., in 1945. He is a CLU.

### Old Line Life

Charles S. Lewis has been advanced from agency secretary to assistant superintendent of agencies. Mr. Lewis has been with the company since 1951. Donald O. Lotzer, an associate underwriter since 1957, has been named an assistant secretary. Mr. Lotzer has also been with the company since 1951.

### Old Republic Life

William J. Cantwell has been appointed to the newly created position of comptroller. He has been in charge of systems and procedures in the home office since 1956.

### Northwestern Mutual

John F. Konrad, investment research officer, has been named manager of investments. He will supervise public utility investments. Mr. Konrad has been with the company since 1954 and has been an investment officer since 1955.

### Life Of Virginia

Max E. Wilson, associate manager at Pontiac, Mich., has been appointed field training supervisor at the home office.

### Liberty National Life

L. S. Evins, former superintendent of agencies, and Harold H. Hays, assistant treasurer, have been named assistant vice-presidents. John K. Kennedy and Frank C. King become

assistant secretaries and William H. Ray Jr. is assistant treasurer. Joseph L. Lanier, president of West Point Manufacturing Co., is elected a director.

### Provident Mutual

A. Glenn Shoptaugh, formerly with Mutual Benefit Life in Indianapolis, has been named estate planning director of Provident Mutual there. Mr. Shoptaugh was once general agent in Indianapolis for Provident Mutual.

### Western & Southern



Harry I. Bloom

Harry I. Bloom, comptroller, has been named vice-president and comptroller. With the company 29 years, he became auditor in 1951 and comptroller last year.

### MUTUAL LIFE OF CANADA—E.

A. Rieder, vice-president and general manager, was elected to the board to succeed the late Walter H. Somerville, executive vice-president. The board was also increased from 15 to 18 members. Other appointments are: Harold C. Hogg, assistant superintendent of agencies; Donald E. Weaver, assistant comptroller; Fletcher T. Whitmore, coordinator of electronics, and F. Isobel Tilton, personnel supervisor.

### AMERICAN INVESTMENT LIFE

has elected as directors John D. Wright, Baltimore tax attorney, and Frank S. Smith Sr., chairman of South eastern Fund, and has promoted Arthur C. Masingill, former assistant secretary, to secretary.

### CAROLINA HOME LIFE

has named E. Merrimon Cheek Jr., former vice-president in charge of claims of Carolina Casualty, vice-president in charge of claims.

**CROWN NATIONAL LIFE** has appointed Jack H. Braunig executive vice-president. He was most recently a general agent for Massachusetts Mutual Life in Philadelphia and before that held a similar post with Mutual Benefit Life in Salt Lake City.

**MFA MUTUAL**—William R. Toler has been appointed director of life

sales. He was previously associate manager for Prudential at Kansas City.

### INTERSTATE LIFE & ACCIDENT

has promoted George W. Evans, associate counsel, to general counsel; Carl J. Arnold, controller, to assistant vice-president and controller; J. R. Cochran, assistant secretary, to assistant vice-president; Noel D. Barron, assistant secretary, to assistant vice-president; Joe Moore, manager of ordinary policy issue, to assistant secretary, and

J. C. Kirkpatrick Jr., manager of general accounting, to assistant controller.

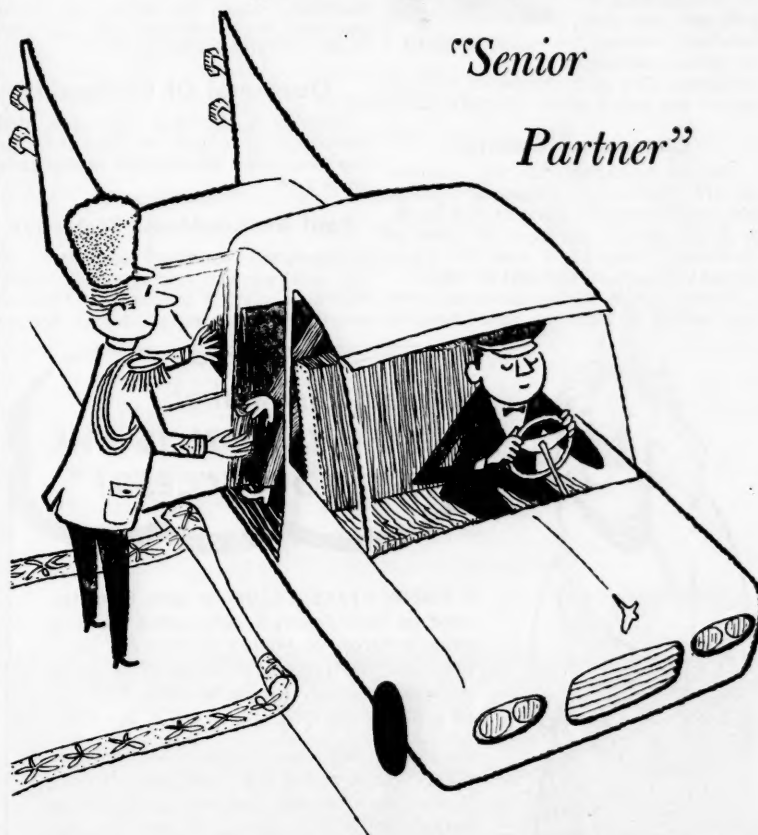
**NORTH CENTRAL LIFE** has promoted Robert R. Masterton from sales manager to vice-president of sales.

**NATIONAL BANKERS' LIFE** has appointed John P. Redwood Jr. controller. Mr. Redwood is a CPA.

New business in January of **Bankers' Life of Iowa** totaled \$34,272,651.

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For a client over age 50 — either an individual or a principal in a business insurance case — GUARDIAN'S Preferred Risk 85 is now a more attractive buy than ever. It offers low premiums, high cash values, higher dividends than ever before on our 1959 scale — plus the important advantage of flexible new policy provisions, for solving business and tax insurance problems.

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## Changes In The Field

### Mutual Of New York

Charles R. Murrah, superintendent of agencies at the home office, has been named superintendent of agencies for the western region with headquarters in San Francisco. He joined Mutual in 1949 at Shreveport and has been assistant manager at Dallas, manager at Kansas City and director of recruiting at the home office. He is a CLU.



Charles R. Murrah

### Connecticut General

District managers recently appointed are William A. Kegan at Easton, Md., and Robert E. Lyon at Red Bank, N. J. Mr. Kegan has been an agent at Baltimore since 1955 and Mr. Lyon joined Connecticut General in 1952.

Named senior brokerage consultants are Robert J. Hanbury and Lloyd A.

Siewers, both at New Orleans; Charles M. Blake Jr. and James W. Snell, both at Boston, and Elton S. Stevens at Chicago. Melvin S. Smith, senior brokerage consultant at Boston, has transferred to New York. Brokerage consultants appointed are Thomas L. Fitch, Portland, Ore., and John J. McKee, Charlotte, N. C.

Named assistant managers are Robert O. Cash Jr., former staff assistant, at Miami, and Robert S. Zink, former agency assistant in the home office, at Hartford. Staff assistants appointed are John W. Henderson, Detroit, and James A. Jacobs, Cleveland.

### Occidental Of California

Douglas E. Marr has been appointed brokerage manager at Spokane. He has been with Prudential at Spokane since 1956.

### Paul Revere-Mass. Protective

Appointed training supervisors of the southwestern region are W. Odell Hawkins, district manager at Oklahoma City, and John W. Lewis, former

assistant manager of Travelers at Shreveport. They will be headquartered, respectively, at Dallas and Shreveport. Mr. Hawkins joined the Oklahoma City agency in 1953. Mr. Lewis joined Travelers in 1950 and was later promoted to field supervisor at St. Louis.

Harry E. Spoerndle, supervisor at Akron since 1957, becomes training supervisor of the eastern region with headquarters at Cuyahoga Falls, O. He joined the Akron agency in 1956.

### Manufacturers Life

John M. Dowd and Joseph S. Ellis have been named managers of the newly opened branch offices at Flint



John M. Dowd



Joseph S. Ellis

and Oklahoma City, respectively. Mr. Dowd joined Manufacturers Life at Port Huron in 1952 and was named assistant manager at Saginaw in 1956. Mr. Ellis has been in the life business since 1951, most recently as a broker-agent supervisor.

### Prudential

Gerard Caprio, training consultant in the ordinary agencies department, has been named manager in Bay Shore, N.Y. He joined Prudential in 1940 and has also been associate manager at Jersey City. He is a CLU.

Arthur P. DeMotte and Lloyd E. Hawkins, regional supervisors at Pittsburgh since 1957, have been named managers of the North Park and East Liberty districts, respectively.

### Lincoln National Life

Thomas L. Corbin has been appointed regional group manager at Portland, Ore., after undergoing field training in group at the home office.

### Bankers Life Of Iowa

Adam J. Harvey has been appointed assistant manager at Pittsburgh. He joined Bankers Life in 1952 and has been agency supervisor at Pittsburgh since 1956.

### Kansas City Life

Donald P. Foster has been named general agent at Portsmouth for eastern Virginia.

### Massachusetts Mutual



William H. Burrows

William H. Burrows, co-general agent with Roderrick Pirnie at Providence, has been appointed to succeed Mr. Pirnie in the management of the agency. Mr. Burrows joined the agency in 1948 and was named co-general agent in 1956. He is president of Greater Providence Life Underwriters Assn. Mr. Pirnie will continue to hold the title of general agent, but will devote his full time to personal production.

Van W. Green has been appointed supervisor at Salt Lake City. He entered the life field in 1954 and joined Massachusetts Mutual in 1958.

Leslie V. Ottman has been named supervisor at Minneapolis. He joined Massachusetts Mutual in 1954.

### American National

Louis R. Burton, general agent at Little Rock, has been transferred to a similar position at Tucson. He has been with the company since 1946. William E. Hodge, a training director at Cleveland, has been named general agent there.

Joseph Singel, district manager at Cleveland, has been named general agent in the eastern part of that city. He has been in the business since 1949. John Barranco has been named general agent at Jackson, Miss.

L. N. Duck will replace Mr. Burton at Little Rock. Mr. Duck has been with American National since 1956 and has been a district manager. Joseph G. Epley, district manager at Canton, O., has been named general agent there. He joined the company in 1957.

Frank J. Hancock has been appointed general agent at Mobile. He has been a district manager since 1956. Robert L. Myles, district manager at Dayton, has been promoted to general agent at Mansfield, O. He has been with the company since 1957.

New general agent at Washington D.C. is H. C. Robertson, who has been with American National since 1952. R. G. Trierweiler, a district manager, has been appointed general agent at Fargo, N. D.

### Life Of Virginia

James J. Benson, manager at Cincinnati since 1951, has been transferred to Detroit to succeed district manager John A. Ziegler, who has retired. Peter P. Montrose, field training supervisor since 1956, succeeds Mr. Benson at Cincinnati.

### Postal Life

David DeMian, who recently joined his father's agency in New York, has been appointed group supervisor of the Harold DeMian agency.

**EMPLOYERS LIFE**, an affiliate of Employers group of fire and casualty companies, has appointed Donald E. Lagarde manager at New Orleans. He has been an agent and brokerage manager of Mutual of New York since 1952.

**INTERSTATE L.A.** has promoted Morton J. Kent, vice-president and actuary, to the executive committee; George W. Evans, from associate counsel to general counsel; Carl J. Arnold, controller to assistant vice-president and controller; and J. R. Cochran

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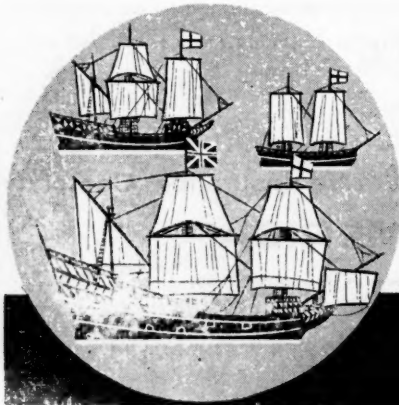
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and Noel D. Barron, assistant secretary to assistant vice-president. Joseph Moore, manager of ordinary policy issue, has been named assistant secretary, and J. C. Kirkpatrick Jr., manager of general accounting, has been named assistant controller.

**FIDELITY LIFE ASSN.** has appointed Jack B. Ralph, formerly with Paul Revere Life, branch office supervisor for Delaware, Maryland, southern Pennsylvania and the District of Columbia.

**AMERICAN INCOME LIFE**—Two general agents have been named: Gerald Comstock at Shelbyville, and Luther L. Lairell at Marion, Ind.

## '58 Company Annual Statements Continue To Reflect Gains

(CONTINUED FROM PAGE 11)  
for operations, earnings were \$2,466,936, of which \$1,905,835 was paid as dividends to policyholders. Surplus was \$7,095,778 at year-end.

### SHENANDOAH LIFE

Life sales of more than \$30 million in 1958, a gain of 26% over 1957 sales, have been reported by Shenandoah Life. The increase favorably compares with an industrywide gain of 3%.

The gain of insurance in force in 1958 was 71% greater than the increase in 1957. In 1958, manpower was increased 12%, and plans for 1959 call for a 15% increase in manpower during the year.

### SOUTHWESTERN LIFE

Southwestern Life increased its insurance in force in 1958 by 12% to a total of \$1,808,208,504. New investments exceeded \$61 million and were made on an average return of 5.29%. The net return on all invested assets before taxes was 3.96%.

Southwestern's total income was \$78,636,960. The company paid \$33,304,071 in benefits, and had \$21.3 million of reserves and \$2 million in surplus. As of Dec. 31, assets were \$450,665,482 and gross surplus was \$56,382,676.

The company has \$43.6 million in U. S. bonds, \$36.4 million in municipal bonds, \$53.4 million in public utility and corporation bonds, \$207.7 million in mortgages, \$18.7 million in preferred and bank stocks, and \$9.9 million in common stocks.

### SUN LIFE OF CANADA

Sun Life of Canada, which has over one-third of its business in the U. S., in 1958 had record sales of \$990 million, an 8% gain. Insurance in force increased to \$8,357,000,000, of which \$3,097,000,000 was group.

Some \$159 million was paid to policyholders and beneficiaries in 1958, of which \$110 million went to living policyholders. Set aside for policyholder dividends in 1959 is \$36 million. Income from all sources in 1958 amounted to \$350 million, including \$221 million from insurance and annuity premiums. Net interest rate was 4.28% on assets as against 4.18% in 1957, and assets increased \$99 million during the year to \$2,214,000,000.

Surplus was boosted in 1958 to \$160 million, and investment and contingency reserves at year-end stood at \$35 million.

## Think Of Life Insurance As Property, Todd Tells Los Angeles Agents' Assn.

Life insurance should be thought of as property, a commodity the client is desirous of owning. Speaking before Los Angeles Assn. of Life Underwriters, John O. Todd, Northwestern Mutual, Chicago, said this concept was basic in his approach to the business.

Mr. Todd, a multi-million dollar producer, imparted a mathematical formula for successful production: Number of interviews, number of attempts to close, percentage of efficiency, and the average size of each case can become factors that gauge an agent's production. He also declared that prospects respond better to their own conclusions; therefore, the agent must use the question technique, planting the ideas instead of forcing them.

Stockholders of **Progressive Life of Georgia and Coastal States Life** have voted to merge the two companies.

### UNION MUTUAL LIFE

Union Mutual Life's insurance in force during 1958 increased \$123,413,948, or 15.3%, to \$931,800,040. Group life sales amounted to \$100,129,337, an increase of 127.7% over 1957. Sales of new ordinary amounted to \$60,800,133. Non-cancellable and guaranteed renewable A&S premiums totaled \$644,993.

Assets increased from \$98,684,886 to \$105,414,419 at year-end 1958. Benefits paid to policyholders and beneficiaries amounted to \$19,639,447, up from \$16,951,395.

Net earnings on investments went from 3.38% in 1957 to 3.48% in 1958. New agencies were established during the year at Memphis; Worcester, Mass.; Los Angeles, San Francisco and Seattle. Union Mutual also opened an agency and policyholder service office in Madison to cover a 10-state mid-western area.

### UNITED STATES LIFE

United States Life's sales in 1958 were a record \$266,165,555, up 23% and bringing life in force to \$1,288,756,131. The average size of policies sold during the year increased to \$10,853 as compared with \$9,407 in 1957. Assets rose to \$104,675,552, a gain of 10%. Capital and surplus reached a new high of \$12,169,719. Net yield on investments increased from 3.98% in 1957 to 4.08% in 1958, before taxes. Yield on new investments made in 1958 was 5.35%, an all-time high.

### WEST COAST LIFE

New business of West Coast Life was \$90,125,977, up 61%. Total income rose from \$16,344,294 to \$17,488,231. Life insurance in force increased from \$582,044,214 to \$622,223,221.

Assets were \$85,236,247 at year end, compared with \$80,545,077. Benefit payments totaled \$10,065,217, 70% of which was paid to living policyholders.

### WESTERN & SOUTHERN

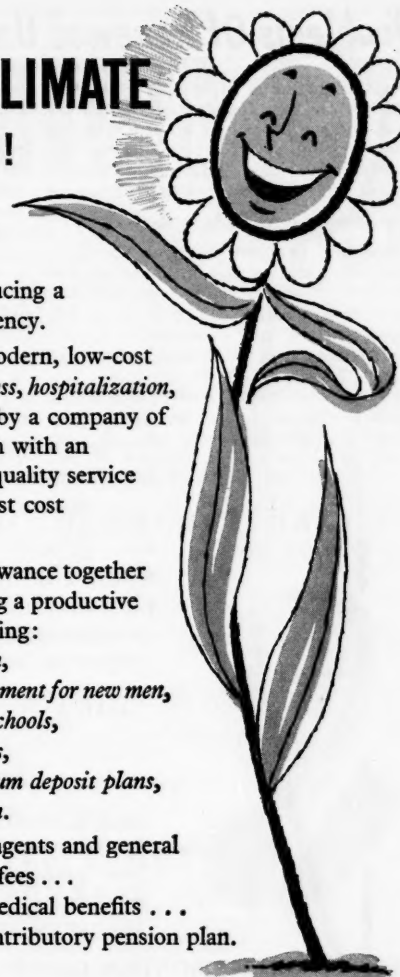
Insurance in force of Western & Southern Life increased \$503,876,218 to \$4,529,959,747 at year-end. Assets totaled \$906,010,381.

Policy reserves increased \$78,465,719 to \$798,365,680, and surplus increased to \$62,318,194. Payments to policyholders and beneficiaries amounted to \$63,101,780.

## A HEALTHY CLIMATE for Agency Growth!

Indianapolis Life provides its general agents with a "healthy climate" for producing a successful and profitable agency.

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  - Production incentive agreement for new men,
  - Basic and programming schools,
  - Business and tax seminars,
  - Check-o-matic and premium deposit plans,
  - Special college senior plan.
- Liberal commissions for agents and general agents plus life-time service fees . . . hospitalization and major medical benefits . . . group life . . . and a non-contributory pension plan.



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## Problems Of Renewal Underwriting Aired

(CONTINUED FROM PAGE 6)

feel the insidious effects of these increases on our loss ratio year after year and we must look to our renewal underwriting to reflect this trend annually. And woe betide the underwriter who ignores this fact!

### Transfer Case And Lapse Rate

Another problem is itself born of renewal underwriting and this is the problem of the transfer case and the lapse rate. Statistically, a 25 to 50 life group case is not necessarily a substandard case just because it has had a high loss ratio in the previous policy year and because its present insurer is requesting an increase in rate. However, the aggregate of all such cases is statistically substandard be-

cause the law of large numbers will then apply.

There is a float of several thousand cases annually transferring from company to company and many of these cases are being treated uniformly as standard new issues by the new insurer with adverse effects on the loss experience of the new insurer and the industry generally. The willingness of insurers to underwrite transfer business in this manner naturally increases the lapse rate of the old insurer and presents a serious obstacle to scientific underwriting.

Renewal underwriting of small cases (say, under 75 lives) is very different from that of large cases (say, over 400 lives) although of course the tech-

niques blend in the medium size area (75-400 lives). First of all, in small cases, random fluctuations in claims are large, and only over a period of years can the true character of a case begin to emerge. However, each year, if desired, some experience rating can be assigned so as to determine the probable loss ratio in relation to the norm—the larger the case and the longer the duration, the more the experience rating. Of course, the earlier years of experience may not be given the same weight as the latest year's experience.

Because renewal underwriting is concerned entirely with the future and looks only to the past as a guide to the future, it is necessary to remember the trend in medical care costs, i.e. the norm for next year is higher than the norm for this year.

### Other Considerations

Other important factors for consideration are direct and allocated administrative expenses, commissions, and taxes. Also provision must be made for amortization of acquisition expenses and for profit.

These then are the factors. How do you use them? There are three basic over-all procedures:

You can pool all the cases, the good, the average, and the bad, and establish an appropriate over-all rate level, usually in relation to current manual rates, and rerate all cases to this level.

You can establish, say, three broad classes—good, average and bad—and assign each case to a particular class of premium level, say, 90% of manual, 100% of manual and 115% of manual.

You can use a formula which treats each case characteristically in accordance with probable future loss ratios, allocated expenses, taxes, commissions and profit. Dependent on the wisdom of your choice will be your profit or loss and your lapse rate.

### Statistics Significant

In cases of at least several hundred lives, the statistical significance of last year's loss ratio for most medical care coverages is large and the loss ratio, with little or no adjustment for credibility, may be used directly after adjustment for trend in medical care costs. The rate for the following year is indicated by adding to the loss ratio the ratios of administrative expenses, taxes, commissions, amortization of initial expense and profit.

It is well to add also an additional margin for fluctuation of claims from the expected. For, if the expected claims or better are realized you can return a large part of the balance as a dividend or rate credit, but if claims higher than expected are realized, you will have a loss of retention unless fluctuation margin is included.

Transfer in this area is less likely because claim levels are recognized by other companies as being dependable and their competitive quotas will usually be based on considerations similar to your renewal considerations.

The procedures so far included here are based on hard facts and are not intended to suggest that the qualitative aspects of a case are unimportant. These have to do with the characteristics of the employment, medical environment, growth of case and other broad conditions. I have always been impressed, however, by the fact that qualitative considerations are more often than not used as excuses to be overly optimistic.

One frequently hears a question asked as to whether claim reserves should be considered in renewal work. The answer is an emphatic affirmative. Claims reserves are liabilities for

claims incurred but not yet reported and for claims reported but not yet closed. These are part of the incurred claims for the year, since such claims would be payable even if the policy cancelled. The incurred claims for a policy year are equal to the paid claims plus the claim reserve for the end of the year minus the claim reserve for the end of the previous year.

Incidentally, in the first year, on typical base plan medical care coverages with maternity benefits, about 70% of incurred claims emerges as paid claims and 30% of incurred claims is claim reserve, so that claim reserve is about 43% of paid claims. On supplementary major medical in the first year about 45% of incurred claims emerges as paid claims and 55% of incurred claims is claim reserve, so that claim reserve is about 122% of paid claims.

### Loss Control Engineering

Some companies have had excellent experience from loss control engineering done by a team of experts operating with the policyholder's administrator and with local medical personnel using statistical analyses of claim frequencies, duration and distributions. This procedure sometimes turns up misunderstandings, unnecessary utilizations or abuse. The team can then suggest corrective procedures, use of deductibles, use of relative value schedules, change of plan, etc. so as to accomplish more efficient use of insurance funds.

### Routbort Awarded Orr Trophy

Jules Routbort, Penn Mutual Life, has been awarded San Francisco Life Underwriters Assn.'s O. O. Orr trophy. Mr. Routbort, a former president of the association, was designated for the honor, named for the late manager of Prudential, on the basis of his efforts to further the welfare, growth and prestige of local agents.

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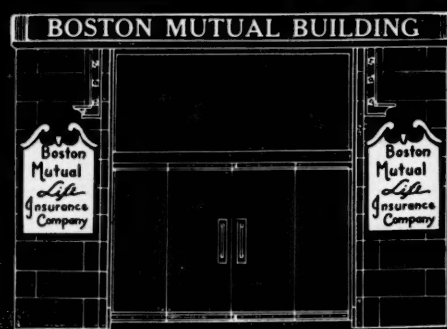
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## More Hearings Due On Tax; Deadline Put Off To June 15

(CONTINUED FROM PAGE 1)

would be well below \$500 million. Obviously, any concessions will have to come when the horse-trading gets closer to the final stages.

The finance committee's attention was concentrated on—

—Use of a five year average for each company, under the "phase 1" part of the formula, dealing with interest earnings.

—Removal of the discrimination against insured pension plans as compared with trustee plans. Sen. Kerr of Oklahoma objected to the bill's provision for cutting the discrimination in three annual steps. If it is wrong, why not eliminate it at once, he asked. The Treasury objected on the ground that it would mean about \$60 million a year loss in revenue the first year.

—Additional special considerations for newer and smaller companies.

—Serious questioning of the provision for treatment of interest on tax-exempt bonds, which is given only partial exemption under the bill. Sen. Butler of Maryland and others said it might be unconstitutional and would doubtless bring litigation. President Harold Cummings of Minnesota Mutual Life, whose company goes in considerably for tax-exempt bonds, presented a statement on this point.

### Deane Davis' Position

Supporting the five-year average based on the company's own experience instead of the industry average provided in the bill in the "phase 1" provision was Deane C. Davis, president of National Life of Vermont.

He is chairman of the joint tax committee of Life Insurance Assn. and American Life Convention, but emphasized he was speaking only for his company. He also favored an amendment to "phase 2" involving treatment of operating gains when they are less than taxable investment income. While the House ways and means committee has taken the position that its tax bill provides that underwriting losses can generally offset investment income otherwise subject to tax, Mr. Davis pointed out that this does not apply to the extent that underwriting loss is attributable to policyholder dividends. However, he recommended that only 50% of such losses be allowed, in order not to get into a controversy over the exact nature of policyholder dividends.

### Difficult To Appraise Attitudes

The extensive questioning of industry witnesses by Sen. Gore of Tennessee made it difficult to appraise the attitudes of the other committee members. However, at press time it looked as if the members would "buy" the use of the five-year average in "phase 1," that they would also accept a longer carry-forward of initial losses for new companies, perhaps as long as 15 years instead of the five years in the bill, that while sympathizing with the plea for removing the discrimination against insured pension plans they would not agree to it because of the \$60 million revenue loss in the first year as compared with the \$20 million loss in the first year, and that full exemption for tax exempt interest had about a 50-50 chance, despite recognition of the rightness of it, because it would cost \$30 million to \$40 million in revenue. The five-year average in "phase 1"

## HIA Panel Outlines Problems Created By New Group Unit

Problems involved and methods for establishing and maintaining an efficient group department were explored by a panel session on selection, training, supervision and compensation of group field men at the group insurance forum of Health Insurance Assn. at New York.

Moderating the panel was John Hill, New England Mutual, and panel members were Bernhard F. Kalb Jr., Massachusetts Mutual; Kenneth C. Nichols, Prudential, and T. A. Watson, Lincoln National Life.

### Developing Group Department

Mr. Watson discussed the problems of developing a group department from scratch and said Lincoln National uses the regular agency aptitude test, adding that his group department is "high on the Wonderlic test." In recent years, Mr. Watson said, Lincoln National Life has taken an almost negative approach toward recruits, instead of trying to sell the man a job. "For the wrong man it can lead only to frustration and failure and the whole purpose in our interviews is to help him determine whether our group insurance job is the right job for him."

Mr. Watson summed up Lincoln National's methods in one word—self-reliance.

"All through our training program," he said, "even into the first year of the man's field work, we keep pushing him off the nest, asking him to make his own decisions and to operate in a way that proves most successful to him."

Mr. Watson said the training program was entirely informal. After the trainee visits various departments in the home office, he works with agents on the more difficult cases before becoming an assistant to the manager in one of the local offices.

### Little Floor And Less Ceiling

Discussing the basic ingredients of an effective compensation formula, Mr. Kalb said the star salesman "will react most favorably and efficiently to an incentive-type compensation plan, with very little floor and still less ceiling. And he is much happier if given individual financial recognition in contrast to an office or district-type bonus arrangement."

Mr. Kalb also said compensation plans should provide incentive credit for both aspects of the salesman's job "if we expect our group field men to not only sell new business but also service and conserve existing cases in force."

Mr. Nichols talked on "Objectives For An Incentive Plan Program," and said the aims of a good bonus formula "must reflect three basic measures of performance—namely, production, conservation and control of expense."

He said a fourth objective of any bonus arrangement is to have a simple formula which will not become an administrative nightmare or which will not cost \$2 to calculate the correct payment of each \$1 of bonus.

would cost an estimated \$35 million to \$40 million, so that loss, plus the full tax exemption for tax-exempt interest, would cut the latest estimate of \$558 million from \$65 million to \$80 million, or below the half billion dollar tally in the Federal budget.

The Senate finance committee heard many witnesses. Their testimony will be reported in next week's issue.

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SIXTIETH ANNIVERSARY

INSPECTION REPORTS - CASUALTY INDEX  
UNITED STATES AND CANADA

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ESTABLISHED 1899 - INCORPORATED 1906

## Society Of Actuaries Makes Parley Change

(CONTINUED FROM PAGE 4)

been affected by recent product changes? What statistical information has been developed to show the trend of expense rates in recent years? What significant steps have been taken which affect such rates?

### IV. Miscellaneous

What have been the recent developments in connection with the 1958 CSO Table? What are the anticipated effects of the adoption of the table on the life insurance business? What are the latest developments with respect to high cash value minimum deposit plans?

The second day will begin with a panel on "The Changing Pattern of Life Insurance Investments in the U.S." New York panelists will be Charles A. Spoerl, vice-president and actuary Aetna Life; R. Manning Brown Jr., vice-president New York Life, and Milford Wieser, vice-president Mutual Benefit Life. Omaha panelists will be Fergus J. McDiarmid, vice-president Lincoln National Life; John Hawkins, vice-president and treasurer Central Life of Iowa, and Sanford M. Thompson, vice-president and treasurer Manufacturers Life. The second afternoon there will be a smaller company forum at both cities. Glenn O.

Head, actuary U. S. Life, will be New York chairman, and John C. Angle, vice-president and actuary Woodmen Accident & Life, will be Omaha chairman.

### New York topics:

#### I. Actuarial Staff

Should the actuarial department of a small company be responsible for the proceduralized calculations not involving life contingencies such as policy loans, etc.? What methods have proved effective in obtaining actuarial students? What special aids are given to students to help them pass actuarial examinations? Is a temporary assignment in other departments an effective training aid for actuarial students?

#### II. Electronic Computers

Is sharing of large scale computer cost feasible for a group of smaller companies? Is it possible to develop generalized programs that could be used by several companies? What will be the long range effect on smaller companies if they cannot acquire the benefits of large scale computers?

What applications have been found for medium sized computers? What economies have been effected?

To what extent are companies using desk size electronic computers? What applications have been found? What special problems arise? Is it feasible to adopt a consolidated functions approach with conventional tabulating equipment?

### III. Expense Rates

What has been the recent expense rate experience of smaller companies? What expense rate changes are anticipated in the near future? What actions have been taken to keep expense rates down?

### IV. Agency Problems

To what extent have smaller companies adopted the practice of financing new agents and general agents? How can companies recruit agents today without a financing program? To what extent does annualized commission provide the advantages of a financing plan?

To what extent do smaller companies make studies by individual agencies of: 1. Persistency rates? 2. Types of policy? 3. Average size of policies? 4. Expense rates? 5. Mortality rates?

### Omaha topics:

#### I. Agency Problems

What arrangements are being adopted in financing agents and agencies? Has the adoption of annualized commissions proved of value? How much investment can a small company afford to make in the study of such characteristics of individual agencies as: 1. Persistency rates? 2. Types of insurance placed? 3. Average size of policies? 4. Expense rates?

#### II. Family Policy

What considerations are involved in underwriting an applicant, his wife and children under family policy? What special underwriting problems have developed?

#### III. A&S Insurance

What principles should be observed in establishing retention limits for disability insurance? Insurers offering "commercial" forms of individual and family hospital-medical contracts are being urged to restrict voluntarily their right to non-renew because of deterioration of health. What considerations have led to this development? What additional reserves should be established by an insurer taking such a step?

#### IV. Expense Rates

What has been the recent expense rate experience of smaller companies? What expense rate changes are anticipated in the near future? What actions have been taken to keep expense rates down?

#### V. Actuarial Staff

Should the actuarial department of a small company be responsible for the proceduralized calculations not involving life contingencies such as policy loans, etc.? What methods have proved effective in obtaining actuarial students? What special aids are given to students to help them pass actuarial examinations? Is a temporary assignment in other departments an effective training aid for actuarial students?

Since this is the first time for the regional meetings, the topics for informal discussion have not as yet been allocated specific times. These topics include:

I. U. S. federal taxation of life insurance companies—what are the latest developments in this matter? Since time will not permit a general discussion of this subject, a report will be presented and questions may be asked from the floor, for information purposes only.

#### II. Higher Interest Earnings

In view of the current higher level of interest earnings, what changes have taken place, for insurance and annuities, in the actuarial bases of premium rates, dividend schedules, policy reserves, and settlement option rates?

#### III. The Supply of Actuaries

Is the shortage of actuaries a problem, the solution of which is the responsibility of Society of Actuaries alone, the insurance companies and consultants alone, or a joint responsibility? What steps have been taken or can be taken to develop actuarial courses in the colleges and universities? Should a list of such courses be given in the Society year book?

Is the shortage of qualified teachers in actuarial subjects a substantial factor? Have any steps been taken in this connection? What further steps can be taken? What ties have been or can be developed between the society or local actuaries' clubs and the universities and colleges to extend the field from which actuarial students can be drawn?

#### IV. Informal Discussions

How valuable do members consider the informal discussions at society meetings? Can their value be increased? If these discussions are to be continued in their present format, should their title be changed in view of their increasing formality? Should the procedure be changed so that, unless the chairman determines otherwise, the discussion of a member not present will be summarized briefly or be turned over to the secretary for the record without any presentation?

## INSURANCE EXPERIENCE HOME OFFICE IN OHIO

Requires Life, Accident, Sickness, Home Office experience, particularly Sales Management and Training; ability to establish entirely new organization and direct its operations. College education preferred. Age 30-45. Replies confidential. Reply Box E-74, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## Conventions

March 15-20, National Assn. of Life Underwriters, mid-year, Leamington Hotel, Minneapolis.

March 16-18, LIAMA, agency management conference, Edgewater Beach Hotel, Chicago.

March 18-20, National Insurance Assn., mid-year, home office Universal Life, Memphis.

March 19-20, Society of Actuaries, eastern meeting, Commodore Hotel, New York.

April 1-4 Zone 2 of NAIC, Greenbrier, White Sulphur Springs, W. Va.

April 2-3, Life Insurance Advertisers Assn., eastern round table, Barbizon Plaza Hotel, New York.

April 2-3, Society of Actuaries, regional, Sheraton Fontanelle Hotel, Omaha.

April 13-15, LOMA automation forum, Drake Hotel, Chicago.

April 16-17, Life Insurance Advertisers Assn., north central round table, Netherland Hilton Hotel, Cincinnati.

April 20-22, LIAMA, A&S meeting, Edgewater Beach Hotel, Chicago.

April 29-May 1, Zone 5 of NAIC, Arlington Hotel, Hot Springs, Ark.

May 3-5, Zone 3 of NAIC, Sheraton-Seelbach Hotel, Louisville.

May 4-6, Health Insurance Assn., annual, Bellevue-Stratford Hotel, Philadelphia.

May 5-8, Interamerican Conference of Life Underwriters, annual, Havana Hilton Hotel, Havana.

May 6-8, LIAMA, combination companies conference, Roosevelt Hotel, New York.

May 10-12, Life Insurance Advertisers Assn., southern round table, Dinkler Plaza Hotel, Atlanta.

May 10-13, LIAMA, agency officers round table, Homestead, Hot Springs, Va.

May 15, Illinois Assn. of Life Underwriters, annual, Hotel Leland, Springfield.

May 18-20, Insurance Accounting and Statistical Assn., annual, Ambassador Hotel, Atlantic City.

May 18-20, Insurance Accounting & Statistical Assn., Greenbrier, White Sulphur Springs, W. Va.

May 25-28, Assn. of Life Insurance Counsel, annual, Greenbrier, White Sulphur Springs, W. Va.

June 3, Fraternal Actuarial Assn., spring meeting, Atlanta Biltmore, Atlanta.

June 4-5, Society of Actuaries, regional, Atlanta Biltmore Hotel, Atlanta.

June 8-12, NAIC, annual, Statler Hotel, Boston.

June 11-12, Society of Actuaries, western meeting, Fairmont and Mark Hopkins Hotels, San Francisco.

June 11-13, ALC medical section, The Homestead, Hot Springs, Va.

June 14-17, International Assn. of A&H Underwriters, annual, French Lick-Sheraton, French Lick, Ind.

June 15-26, ALC life officers investment seminar, Beloit College, Beloit, Wis.

June 18-20, Life Insurers Conference, annual, Greenbrier, White Sulphur Springs, W. Va.

June 19-20, Alabama Life Underwriters Assn., annual, Houston Hotel, Decatur.

June 21-25, Million Dollar Round Table, annual, Americana Hotel, Miami Beach.

June 28-July 1, Consumer Credit Insurance Assn., Desert Inn, Las Vegas.

June 30-July 2, International Assn. of Insurance Counsel, annual, Banff Springs Hotel, Banff, Alberta, Canada.

July 23-25, National Assn. of Life Companies, Inc., annual, Castle in the Clouds, Chattanooga.

Aug. 31-Sept. 2, International Federation of Commercial Travelers Insurance Organizations, annual, Broadmoor Hotel, Colorado Springs.

Sept. 1-4, National Insurance Assn., annual, Sherman Hotel, Chicago.

Sept. 11-12, Southwest Management Conference, Statler Hotel, Dallas.

Sept. 20-23, National Fraternal Congress of America, annual Sheraton Hotel, Philadelphia.

Sept. 20-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.

Sept. 21, Fraternal Actuarial Assn., annual, Sheraton Hotel, Philadelphia.

Sept. 27-30, International Claim Assn., annual, Americana Hotel, Miami Beach.

Sept. 28-30, Life Office Management Assn., annual, Edgewater Beach Hotel, Chicago.

Oct. 12-13, Conference of Actuaries in Public Practice, annual, Drake Hotel, Chicago.

Oct. 12-16, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Oct. 26-28, Life Advertisers Assn., annual, Drake Hotel, Chicago.

Oct. 28-30, Institute of Home Office Underwriters, annual, Statler Hotel, St. Louis.

Oct. 29-31, Mid-West Management Conference, annual, French Lick Springs Hotel, French Lick, Ind.

Nov. 9-11, Society of Actuaries, annual, Greenbrier, White Sulphur Springs, W. Va.

Nov. 9-13, LIAMA, annual, Queen Elizabeth Hotel, Montreal.

Nov. 16-18, Health Insurance Assn., individual insurance forum, Biltmore Hotel, New York.

Dec. 9-10, Life Insurance Assn. of America, annual, Waldorf-Astoria, New York.

Dec. 27-30, American Assn. of University Teachers of Insurance, annual, Washington, D. C.

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.  
THE NATIONAL UNDERWRITER—LIFE EDITION

### REMEMBER THIS AD?

Supervisor, Florida, it began, and went on to talk about a ground floor opportunity in a relatively new agency of this old line life insurance company. Well, the ad drew responses, all right, but that certain something seemed to be missing. Call it the feeling of complete mutual satisfaction, if you will. At any rate, the spot is still open. You see, not only do we have a pretty good idea of the man we're seeking, but we want him to be with us a long time, and happily so. We would like to hear from you if you are interested in new opportunity. Management experience is not a requirement but a proven sales ability is. Salary, commissions and fringe benefits, of course, but you'll find association with this quality company and contract equally satisfying. Write away, to Box E-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ACCOUNTING SUPERVISOR—COMPTROLLER'S DEPARTMENT

Life Insurance company seeks supervisor experienced in premium and commission operation for Philadelphia Home Office. Excellent working conditions and fringe benefits. Salary will be commensurate with experience. All replies confidential. Please reply giving full details of experience to Box E-82, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Wanted to build Agency

13 years in Ordinary Production—Past 10 years Agency Supervisor. Now age 37—want to remain in Marion, Ohio. Must be reputable agency minded company with opportunity type contract. Reply Box E-86, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

**ORDINARY AGENCY MANAGER**  
Southern Combination Life Insurance Company with \$280 Million insurance in force of which \$160 Million is Ordinary. Need young man between 28-40 to build Ordinary Agency. Must have sales experience. Prefer CLU. Good opportunity. Address Box E-91, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WE NEED GENERAL AGENTS

If you are producing \$600,000 or more a year, look into our general agent opportunity. A money-making contract, free training for agents, expense allowance, and complete Life, A&S, and Hospitalization coverages.

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Ready for the challenge? Perhaps you can join our 35th Anniversary Expansion Drive this year. Write to: John McDuff, Agency Vice-Pres., Box 1509, Fort Worth, Texas.

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Excellent opening for experienced Life Insurance man capable of handling all Agency aspects of a new company with over 7 million in force. Salary with incentive plan. Inquiries held confidential. Send full details to: A. A. Schlaht, Executive Vice President, New American Life Insurance Company, P.O. Box 1951, Billings, Montana.

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## Tax Outlook Causes L. & C. To Withhold 5% Stock Dividends

(CONTINUED FROM PAGE 1)

"one phase of which under the proposed bill as now draft is aimed at taxing the company under certain conditions on the basis of cash dividends to stockholders, an unprecedented step in the history of the United States and one which is completely contrary to all basic concepts of taxation, it is impossible for us to make a recommendation of this kind at this time."

### Hits Stock Insurers Harder

Mr. Dudley said the bill as reported by the House ways and means committee would "in our judgment treat stock and mutual companies differently for the first time in history and may well result in a competitive advantage for mutual companies."

"This bill has not become the law of the land as yet and we expect to exert our utmost efforts in the hearings to be held shortly by the Senate finance committee to see to it that fair treatment is accorded your company and that gross inequities in the proposed bill are corrected," he said.

"Based on our 1957 operations, our federal taxes from life insurance were \$631,000. Under the 1942 law, which is the present law of the land until new legislation is enacted, our taxes would be raised to \$1.2 million. However, our best estimate is that the House ways and means committee bill just reported out would raise our taxes from the \$631,000 figure in 1957 to \$1.9 million for 1958.

### Would Penalize Generous Companies

"Phase III of this bill proposes under certain conditions a tax on companies on cash dividends to stockholders at a rate of 108%, less certain deductions such as tax-free income from bonds and 85% of dividends from stocks. The obvious result from this form of taxation, which is contrary to all basic concepts of taxation, is to penalize companies that are generous with their stockholders.

"We believe the Congress of the United States will ultimately pass a bill which will not give unfair competitive advantage to any segment of business nor penalize stock companies paying relatively larger cash dividends to stockholders."

## Speakers At LIAMA Agency Management Conference To Discuss Careers Frankly

Each speaker at the Tuesday session of LIAMA's agency management conference at the Edgewater Beach Hotel, Chicago, March 16-18, is scheduled to give his company's philosophy as background to remarks about what he thinks he has done right, wrong, and the things he thinks he's done best in his career as an agency officer.

Tuesday morning speakers will include Brice F. McEuen, vice-president and agency director Lamar Life; Homer D. Parker, executive vice-president Commonwealth, and Frank L. Whitbeck, president Pioneer Western. Tuesday afternoon speakers will be Charles E. Sherer, vice-president and director of agencies Midland Mutual, and J. D. Anderson, executive vice-president Guarantee Mutual.

S. Rains Wallace, LIAMA's director of research, will open the Wednesday

session, and will be followed by the "Hot Ideas" panel, moderated by Stuart C. Ferris, agency vice-president Security Life & Accident. Benjamin N. Woodson, president American General Life, will give the closing address.

Chairman of the conference is M. F. Browne, vice-president in charge of agencies Occidental of Raleigh.

## Cal. Agents Beat Attempt To Prohibit Phone Solicitations

A bill to outlaw telephone solicitations was introduced into the California legislature and then promptly withdrawn by its author as a direct result of protests from members of California Life Underwriters Assn.

Three-hundred-eleven letters protesting assembly bill 518 are known to have been written by association members to state legislators. After the bill was withdrawn, Assembly Speaker Ralph Brown told the association that if the bill were brought before the legislature again, it would have no chance of passage because, as he said, "everyone with the possible exception of the author," opposes it.

In Columbus, O., recently a proposed ordinance, similar to the California bill, was rejected after Columbus Life Underwriters Assn. and other sales groups voiced opposition at a public hearing. In this case, even the author of the proposed legislation voted against it.

## Reach Compromise On Conn. Tax Boost

HARTFORD—Connecticut insurers and Gov. Ribicoff have reached a compromise on the governor's proposal for restoring to its former high level the tax on interest, dividends and rents received by domestic companies. The tax, under present law, reduces annually until it disappears in 1963.

Gov. Ribicoff in his budget message proposed that the tax, scheduled to go down to 1 1/4% this year, be restored to the 1957 level of 2 1/2% and continue at that rate. The compromise provides that the tax will be restored to 2 1/2% until March 1, 1962, and then be gradually reduced until it disappears in 1972. Because of their larger reserve, life companies are considerably more affected than fire or casualty insurers.

Agreement was also reached on the tax on insurance premiums and annuity considerations, which was slated to go out of existence in 1961. The agreement continues it until 1963. Currently one-half of 1%, it will go back to the 1957 level of 1% and then reduce gradually until it disappears in 1963.

## Harmelin Agency Begins Brokers Class For New York Agents Exam

The 121st class of the Harmelin agency, general agents of Continental Assurance at New York, to prepare brokers for the New York State life agent's examination, March 19, has started. The course, which consists of five lectures, is conducted by David R. Harmelin and William Harmelin, both of whom are LUTC moderators this year.

Liberty National Life stockholders have approved a recommendation by directors to increase authorized and outstanding capital stock from \$6 million to \$7.5 million by the declaration of a 25% stock dividend, shares to be issued April 17 to stockholders of record March 31.

## Stockholders Meeting Of Capitol Life Of Tenn. May Develop Into Proxy Fight

NASHVILLE—The stockholders meeting of Capitol Life of Tennessee, scheduled to meet here March 16, may well develop into a proxy fight over the proposed merger of Capitol and People's Protective Life.

Luke Lea Jr., a Nashville business man, who last June acquired a large block of Capitol stock, has confirmed that he has written stockholders, stating his belief that he is the largest stockholder and requesting their signed proxies in favor of the merger for the forthcoming session. Mr. Lea has been critical of some of Capitol's management methods and said he was suggesting the merger plan with "no other personal motive than to protect my personal investment in Capitol stock."

He said a letter recently sent to stockholders by Charles G. Neese, secretary of Capitol, also requested proxies for voting by management on a resolution in opposition to the merger plan.

Mr. Lea said that, of some 450,000

## Life Insurance Fact Book For Children Is Released By State Mutual Life

The complex subject of life insurance, often an enigma to adults, has been given the A-B-C treatment for children by State Mutual Life in a just-published child's guide to life insurance in the family. Titled "A Story of the Busy Dollars," the small eight-page booklet was released to fill the need for educational material at the 8-11 age level. It was enclosed with copies of the annual report sent to policyholders.

The booklet, written by John D. Drummey, director of public relations, is presented in a simple text-cartoon format and will be offered to schools and educational groups free of charge. Mr. Drummey said it was meant to be read by parents and children together.

The text covers the need for insurance, different types of coverage the agent, premium and the policy itself.

shares outstanding, he owns 53,717 and has under option about 30,000 more, and controls between 10,000 and 15,000, or a little over 100,000 shares.

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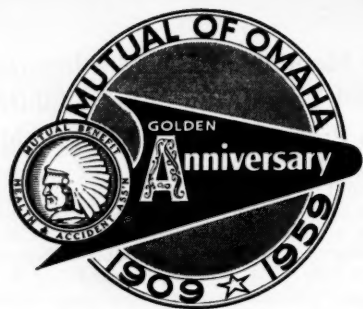
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Mutual of Omaha's tremendous growth has brought about an unprecedented achievement. It is the only company ever to pay out more than one billion dollars in health and accident benefits in its first fifty years. Over 75 percent of that one billion dollars was paid out in the last 10 years. These were dollars that helped bring security to thousands of American families.

The announcement of our one billion dollar payout of health and accident benefits brought us many letters, including this one from a well-known Southern banker:

"Most insurance companies comment about the assets they have accumulated and been able to hold, yet your company is celebrating the fact that it has given one billion dollars of help as contrasted with retention. This great record, coupled with your splendid financial condition, bespeaks the type of administration that is human as well as efficient and sound."

It is this combination of human, efficient service that has made Mutual of Omaha the leader in its field.

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